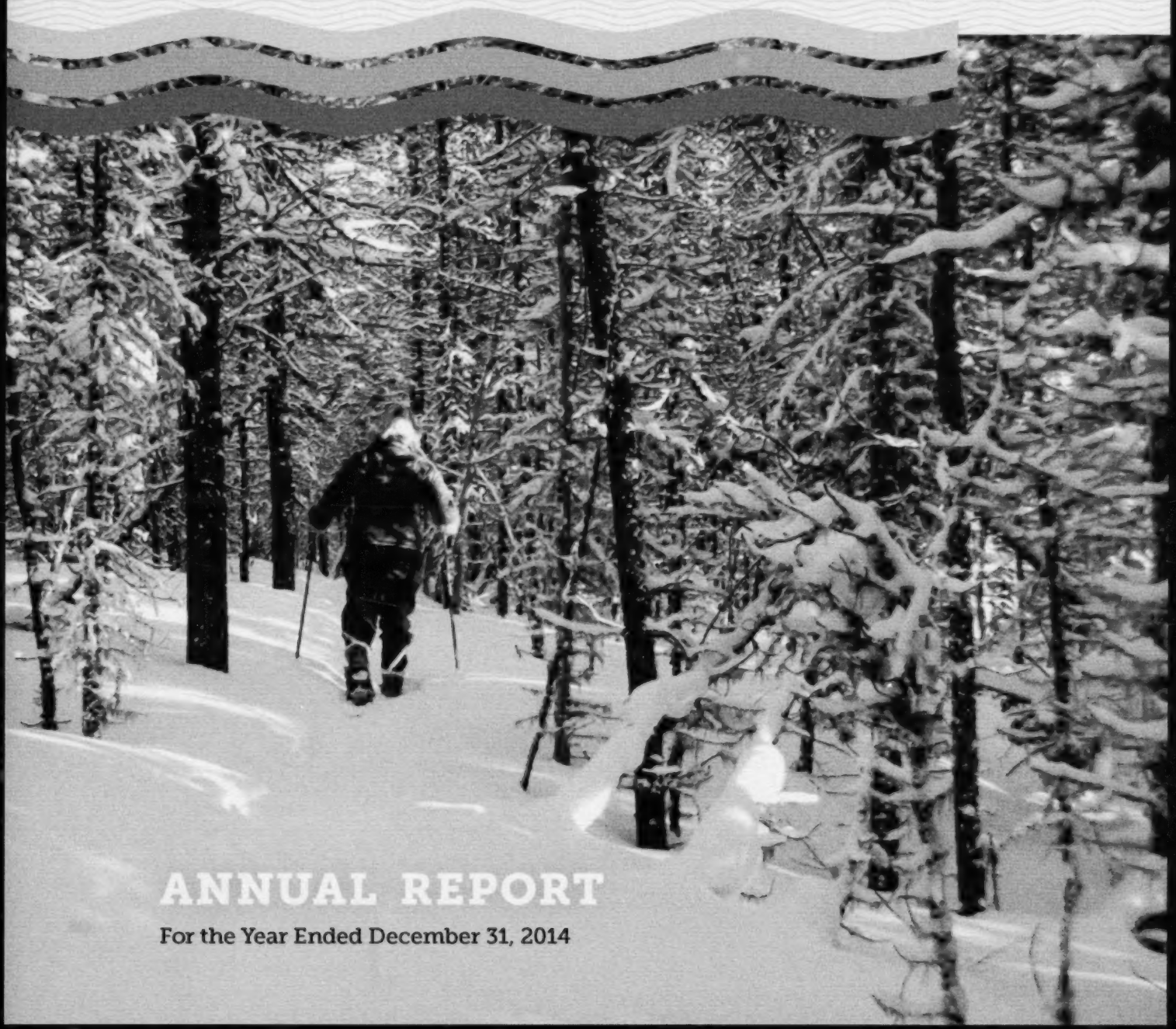
Whitehorse
THE WILDERNESS CITY

CITY OF WHITEHORSE Yukon, Canada



ANNUAL REPORT

For the Year Ended December 31, 2014

CITY OF WHITEHORSE Yukon, Canada

Annual Report

For the Year Ended December 31, 2014
Prepared by Financial Services and Strategic Communications

TABLE OF **CONTENTS**

Introductory Section

Message from the Mayor 4
Message from the City Manager 5
Mayor and Council 6
Canadian Award for Financial Reporting 7
Strategic Plan in 2014 8
Sustainability Planning in 2014 12
City Departments 14
Organization Chart 17
Treasurer's Report 18

Financial Section

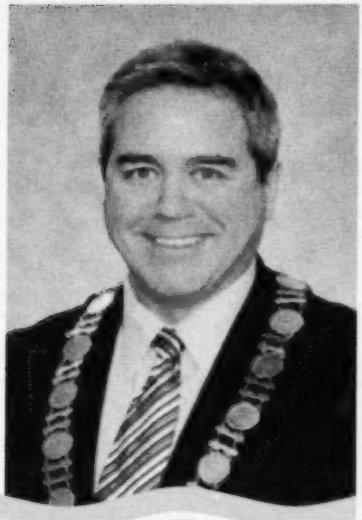
Management's Report 26
Independent Auditor's Report 27
Statement of Financial Position 28
Statement of Operations 29
Statement of Change in Net Financial Assets 30
Statement of Cash Flows 31
Schedule 1 – Statement of Financial Activities – by Segment – 2014 32
Schedule 1 – Statement of Financial Activities – by Segment – 2013 33
Schedule 2 – Water & Sewer Utility 34
Notes to Financial Satements 35

Statistical Section

Demographic and Economic Information 52
City of Whitehorse Personnel 52
2014 Major Vendors 53
Assessment and Taxation Information 54
Major Property Taxpayers 54
Tax Collection 55
Taxes Outstanding 55
5 Year Comparative Consolidated Revenue by Source 56
5 Year Comparative Consolidated Expense by Object 56
5 Year Comparative Operating Revenue & Expenditure by Function 57
5 Year Comparative Financial Assets 57
Donated Tangible Capital Assets 58
Tangible Capital Assets Recorded at a Nominal Value 58
5 Year Comparative Capital Expenses 59
5 Year Comparative Analysis of Debt 60
5 Year Comparative Reserves Analysis 61
Grants 62

INTRODUCTORY SECTION

MESSAGE FROM **THE MAYOR**



On the way to one of our main meeting rooms at City Hall you'll find a wall of framed photos. They're of the 38 previous City Councils—the men and women who have served this city since incorporation in 1950. We hung those photos in 2014 to remember and honour their work in building our community.

For me, those photos are a reminder that the work we do every day for the City rests on the accomplishments of those who came before us. We were able to launch an economic development strategy in 2014 because we have a good, clean water supply, safe roads and responsible fiscal management practices. We could develop a forward-looking sustainability plan because those earlier councils built a strong foundation of good waste management, and nurtured a culture of recycling, public transportation and environmental awareness.

In short, nothing happens in a vacuum at City Hall. When you read through this Annual Report, you'll see a document that shows a well-run, well-maintained and well-cared-for organization. You don't get there in a year or two- it's the work of many people working over decades to build one of the best cities in this country.

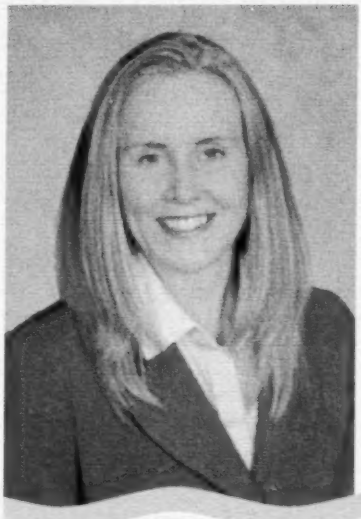
Our job as the current City Council is not only to maintain those good works, but to grow them. We do that through strong relationships—with our dedicated staff, citizen groups, the local business community, and the territorial government. It's been especially gratifying to have a close co-operative relationship with our friends at the Ta'an Kwäch'än and Kwanlin Dün First Nations, and this year we began many initiatives with those governments.

I often give a silent 'thank you' to those councillors from the past as I head to my next meeting at City Hall. We share a proud history and a vision for an exciting future.

It's an honour to be serving on this 39th City Council—and to be presenting this annual report on a successful and rewarding 2014.

Dan Curtis
Mayor

MESSAGE FROM **THE CITY MANAGER**



It is my great privilege to share with you this annual snapshot of the work being done by City of Whitehorse administrators for 2014.

Public input is vital to helping folks at the City understand citizens' needs and the areas in which we can improve. We appreciate your emails and phone calls, and your participation in the many public consultations and surveys. Thank you!

One particular survey that gives us a sense of what the citizenry thinks is the biennial Citizen Survey. This survey helps us better understand what programs are working, which need improvement, and how well the City is responding to the public's concerns.

Here are some positive highlights harvested from the 2014 survey:

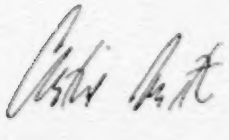
- 98% of citizens found Parks and Recreation services were 'good' or 'excellent',
- 90% of respondents felt the City offers a positive business climate,
- 87% of respondents rated the City's services as 'good' or 'excellent'.

In addition to this survey, we reached out to citizens several times in 2014 for input on major initiatives like our annual budgeting process (when we tested our Citizen Budget tool), surveys on the Sustainability Plan and the new Economic Development Strategy.

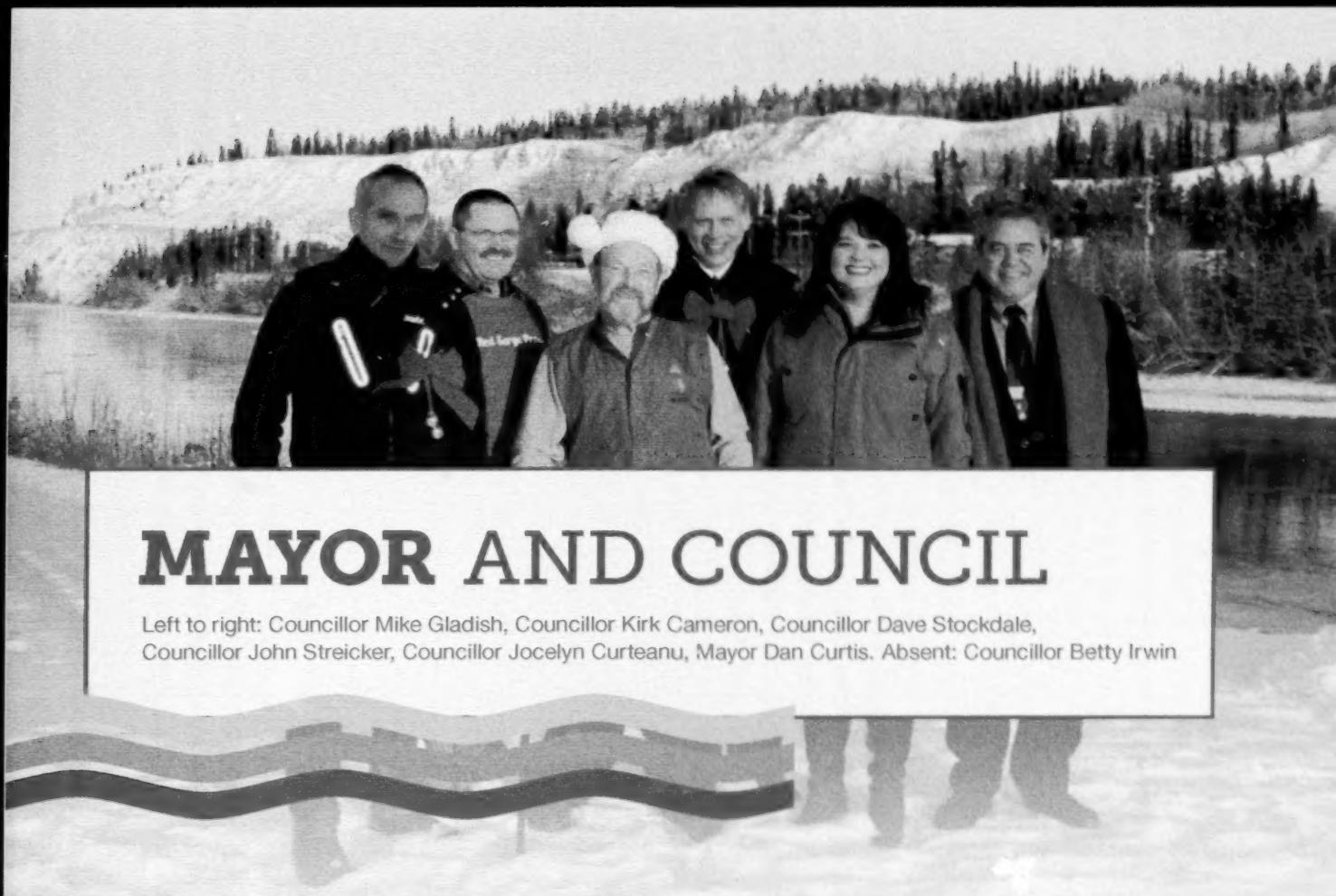
Much of the work done by the City involves developing a plan and asking for public input. Council provides direction through the Strategic Plan, the Official Community Plan, the Sustainability Plan, neighbourhood plans etc. In 2014, the City undertook initial steps to integrate these Council-endorsed plans and vision for the City with departmental plans, in order to improve alignment. We will continue these efforts in the coming years.

Ultimately it is your input into any plan or process that helps the City best respond to your needs. Thank you for providing us with your perspectives and priorities.

Please accept this annual report as our way to show you what we have been doing and our efforts to be the sustainable city you desire. We would love to hear what you think.



Christine Smith
City Manager



MAYOR AND COUNCIL

Left to right: Councillor Mike Gladish, Councillor Kirk Cameron, Councillor Dave Stockdale, Councillor John Streicker, Councillor Jocelyn Curteanu, Mayor Dan Curtis. Absent: Councillor Betty Irwin

Standing Committees

Report to Council on issues related to municipal services in six areas:

- Corporate Services
- City Planning
- City Operations
- Community Services
- Public Health & Safety
- Development Services

Advisory Committees

Persons with Disabilities Advisory Committee
suggests ways to make City services accessible to citizens with disabilities.

Canadian Coalition of Municipalities Against Racism & Discrimination
suggests best practices to eliminate racism and discrimination in City services.

Trails & Greenways Committee
provides recommendations for management, public education, and respectful use of City trails.

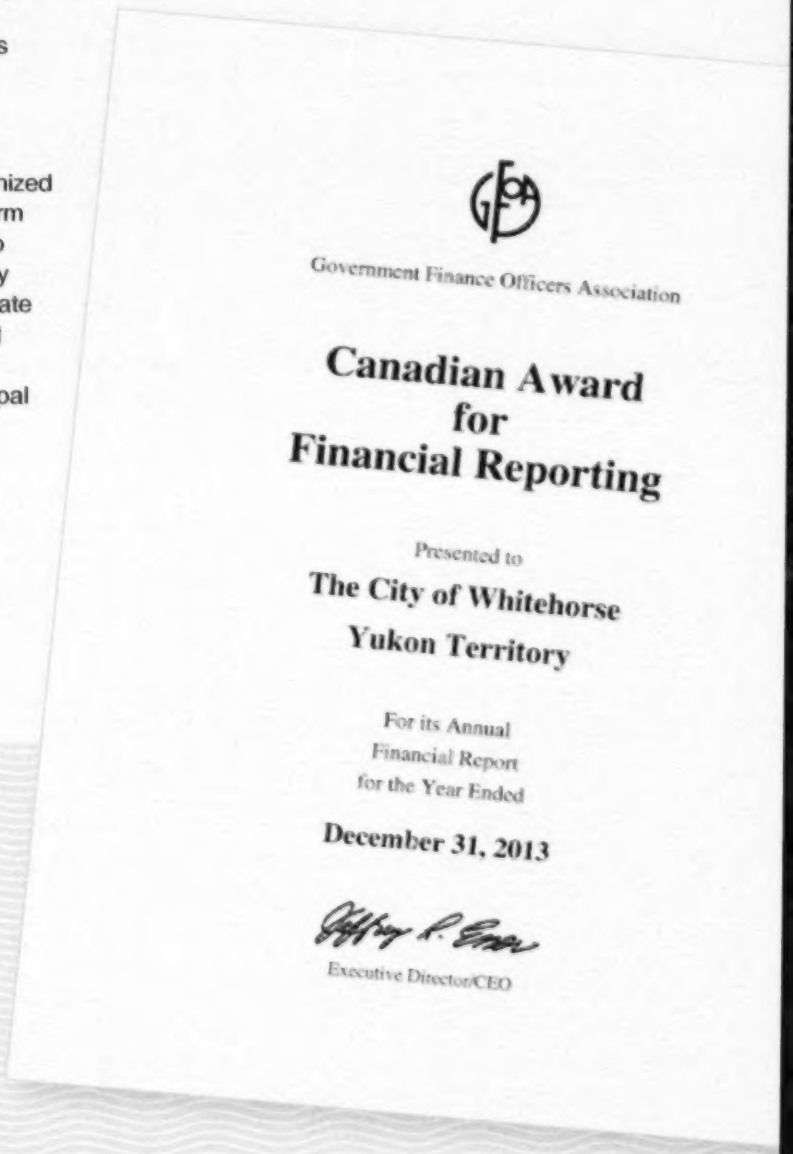
Finance Committee
considers the financial implications of existing and proposed policies and actions.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Whitehorse for its annual financial report for the fiscal year ended December 31, 2013.

The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA.


Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

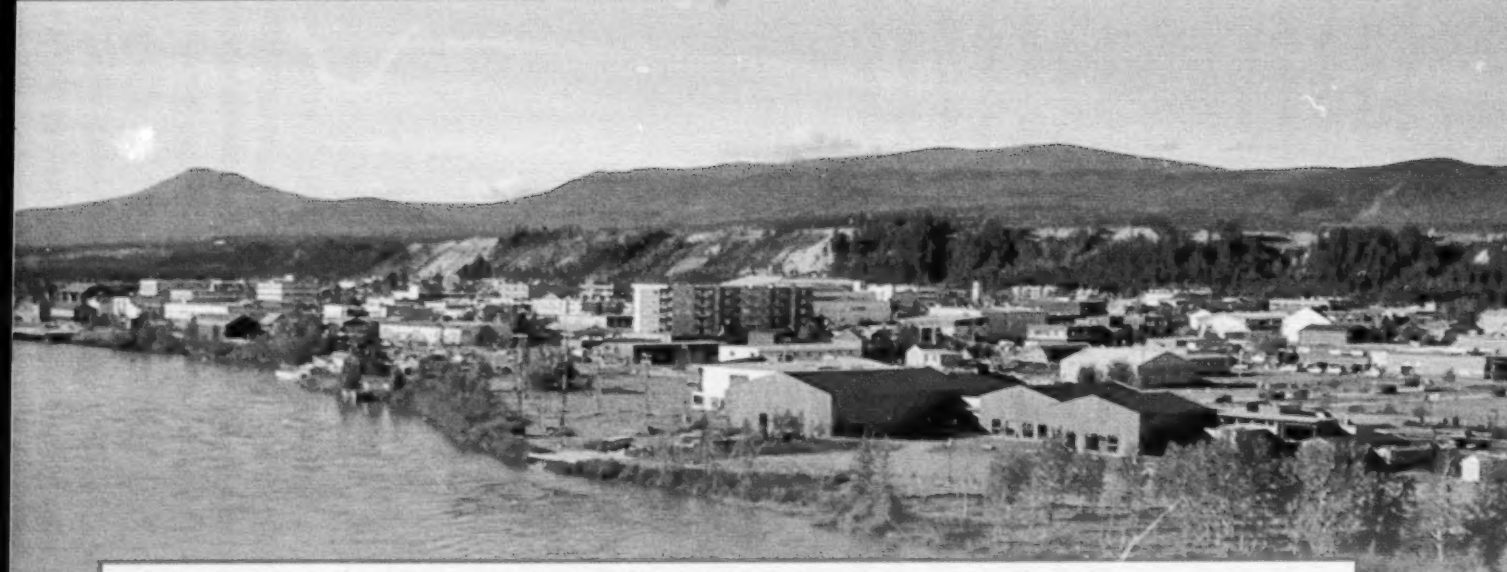
The City of Whitehorse
Yukon Territory

For its Annual
Financial Report
for the Year Ended

December 31, 2013

Executive Director/CEO

The City of Whitehorse is proud to have received this award for the tenth consecutive year.



STRATEGIC PLAN IN 2014

The City of Whitehorse Strategic Plan is how Council sets its priorities for its three-year term.

Soon after the municipal election, the new councillors sit down with staff and the public to develop priorities and make an action plan. The plan is updated quarterly and revised annually to assess progress and adjust to changing community needs.

Developed with and for the community, this document is focused on improving performance and results in 10 strategic areas. Each priority is developed with strategies and key initiatives that translate goals into specific actions. The strategic plan then becomes the basis for informed decision-making that meets the needs of residents, best uses the City's financial resources, and respects the City's focus on sustainability.

The 10 Council Priorities for 2013-15

- Solid Waste Management
- Service Capacity Review
- Land Development
- Solar District Heating
- Transit
- Tourism Function
- Community Economic Development Strategy
- Public Communication
- Municipal Services Building
- Housing

KEY ACCOMPLISHMENTS

Municipal Services Building

Work continued on planning the replacement for the Municipal Services Building, specifically land acquisition and environmental approvals for the new Operations building, and staff information sessions as part of the larger Building Consolidation Project. Financing options were researched but no commitments made until the project's final costs and timeline are confirmed.

Downtown South Land Transfer

A decision from Yukon Government on the land transfer was not received in 2014. The City expects a decision in the first half of 2015.

Community Economic Development Strategy

A full public and stakeholder engagement plan has been developed and it is expected that a new strategy will be adopted in the first half of 2015.

Strategic Sustainability

In 2014 the City asked the public for input into an updated plan, which is expected to be adopted by spring 2015. This plan will identify goals and targets in the areas of vibrant neighbourhoods, zero waste, green infrastructure and more.

Solar District Energy

In 2014 the feasibility study for solar district energy in Whistle Bend was completed by ATCO, in partnership with the City. City Council gave administration directionto continue to look for funding and partnership opportunities and to examine possible locations and development conditions in Whistle Bend for of a solar district energy system.

STRATEGIC PLAN IN 2014

MISSION

We provide leadership as one of Canada's best local governments enabling Whitehorse to be an exceptional community to live, work and play.

VISION

Whitehorse will be a well-planned, self-sustaining community that is a leader in energy conservation and innovation that maintains and conserves wilderness spaces for future generations. Whitehorse will continue to strive for a better quality of life that is reflected in its vibrant economy and social life.

The Canadian Coalition of Municipalities Against Racism Action and Discrimination Action Plan was completed, as was the Trail Maintenance Policy update.

Densification Incentives

A consulting team has been contracted to review best practices and contact members of the development industry to produce recommendations for improvements to the City's Development Incentive Policy. These recommendations and possible edits to the policy are expected to be considered by Council in the first half of 2015.

Alternate Revenue Generation

Corporate Services provided a report with five potential options to Council for alternate revenue generation. Of these, Council selected two for further investigation. That was done with one item implemented through the Parking Management Plan.

Property Assessment

A report was prepared for Council clarifying the property assessment authority within Yukon.

Election: Voter Awareness/Access

The municipal election is scheduled for October 2015. Planning for this is well underway with intended changes to the number and location of polling stations, authorized access to federal enumeration data, a voter awareness campaign, and anticipated changes to the ballot counting process.

Sport Tourism Policy

Community and Recreation Services adjusted this strategy to better reflect the requests the City was receiving from sports groups for Sport Tourism subsidies. The department researched what other municipalities were doing and began updating the Sport Tourism Subsidy Policy.

Parks and Protected Areas Bylaw

Work began on a new bylaw, with an internal committee formed to review the existing bylaw, to determine what parts of the three existing bylaws could be consolidated into one new bylaw to bring to Council in 2015.

STRATEGIC PLAN IN 2014

SUSTAINABILITY PLANNING IN 2014

Since 2008 the City of Whitehorse has defined sustainability through new policies and clear action on solid waste, transportation, and, more recently, by exploring how to address affordable housing needs.

In 2014, the City conducted a review and update of the plan. The renewed Whitehorse Sustainability Plan provides long term direction in 12 goal areas that reflect the community's hopes and values across social, environmental, and economic realms.

The plan will increasingly be integrated into budgeting, strategic planning, and decision-making. Future Annual Reports will also contain reporting on progress towards sustainability targets.

The City of Whitehorse is committed to maintaining a healthy environment and good quality of life for everyone over the long term — in other words, to becoming a sustainable community. All citizens have a role to play in moving towards our goals and targets, and the City has a special responsibility in helping us make choices towards sustainability.

The goals for Whitehorse are:

- Strong Downtown and Livable Neighbourhoods
- Efficient, Low-Impact Transportation
- Healthy Environment and Wilderness
- Green Buildings and Infrastructure
- Energy and Greenhouse Gas Reduction
- Dynamic and Diverse Culture, Heritage, and Arts
- Social Equity: Affordable Housing and Poverty Reduction
- Connected, Engaged, Participatory Community
- Safe and Healthy Community
- Diverse Local Economy
- Zero Waste
- Resilient, Accessible Food Systems

SUSTAINABILITY PLANNING

THEMES

While the updated Sustainability Plan maintained the general direction of the previous plan, some new themes emerged to guide us in the future.

Leadership through partnership

While the previous plan emphasized leadership by example through direct action, education, and communication, this plan makes a shift towards the City leading through partnership and facilitation with other organizations, governments, and citizens.

Citizen stewardship

For the City to move to new levels of sustainability, citizens must be engaged like never before. Citizens are not only informants and advocates, but should be actively involved in stewardship of Whitehorse's infrastructure and natural resources, thereby becoming partners in long-term sustainability.

Integration into City business

The City has made significant progress in its sustainability journey. The City will better integrate sustainability into its decision-making, reporting, and project prioritization.

Focus on our existing assets

The plan focuses on doing more and better with the resources the City already has. These assets include, for example, a vibrant downtown, our established neighbourhoods, our trail system, and our infrastructure.

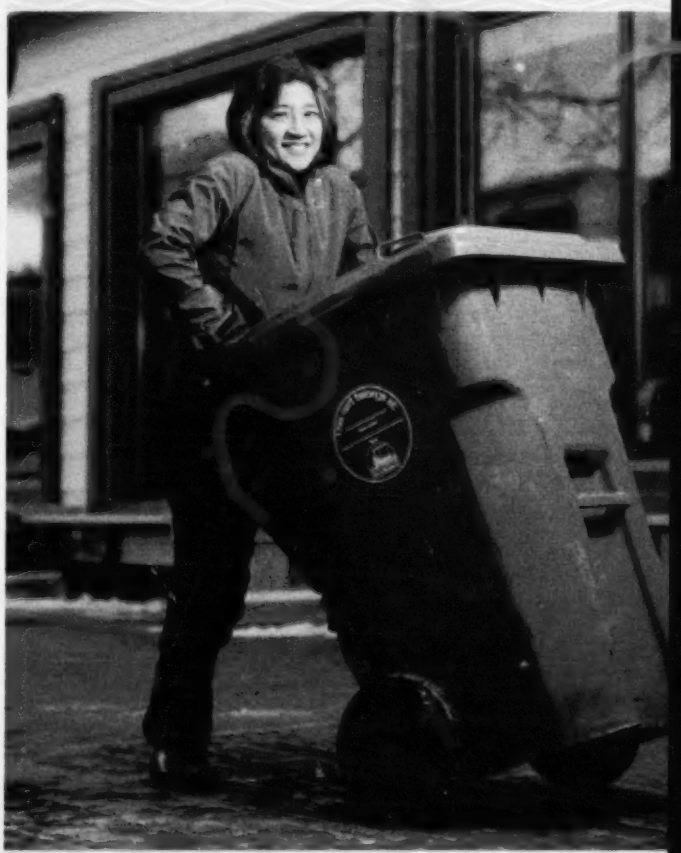
Stay the course

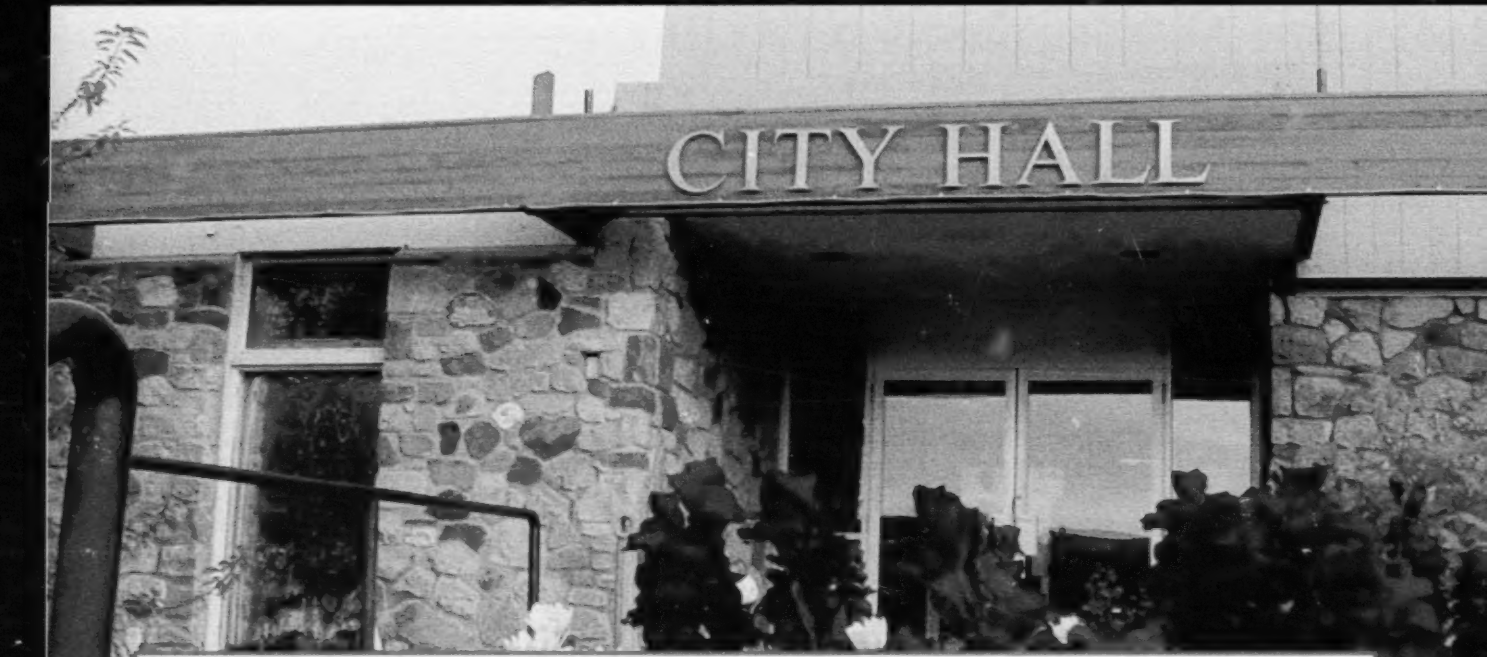
The plan builds on and synthesizes previous planning and policy work.

Continuous learning, more ambition

The plan sets long-term targets, which allows the City to monitor progress, adjust its strategies and take action.

Whitehorse will be a well-planned, self-sustaining, innovative community that leads in management and conservation of wilderness, energy, and resources for the future. Whitehorse will strive for a good quality of life for all, a stable economy, and a socially diverse community.





CITY DEPARTMENTS

CITY MANAGER

Human Resources

Supports all stages of the employee experience, from job applications to retirement planning. We're responsible for providing strategic advice and leadership to supervisors and managers within the City to create a culture of employee empowerment and recognition. We also hold the Corporate Safety program and work with all departments to ensure that safety is our first priority.

Strategic Communications & Customer Service

Works with City Council and staff from all departments to ensure the City effectively communicates with citizens and government partners in a timely, coordinated, and proactive way. We're responsible for the City's website, social media, advertising, and marketing.

CORPORATE SERVICES DIVISION

Financial Services

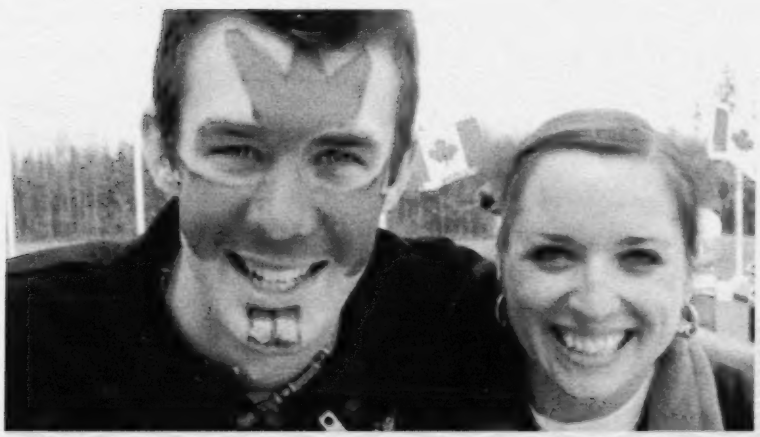
Provides financial reporting and control services, manages City assets, and provides guidance for maintaining the overall financial stability of the municipality. Specific functions include preparing and monitoring operating and capital budgets, levying and collecting property taxes and utilities, administering payroll, processing accounts payable and accounts receivable, and maintaining a high level of client service for municipal payments and inquiries.

Business & Technology Systems

Builds, enhances and maintains the City's technology infrastructure and systems. Our team supports all City departments in meeting business and corporate objectives, ensuring the provision of efficient services to citizens.

Legislative & Administrative Services

Is the communication link between the citizens of Whitehorse and their City Council. We support effective conversations between Council and staff by coordinating Council meeting information. We prepare and preserve records of the official business of the corporation, including bylaws, minutes of Council and Committee meetings, and Council policies. The department is also responsible for the coordination of elections, plebiscites and referendums, and maintains the official list of electors for the City.



COMMUNITY AND RECREATION SERVICES DIVISION

Parks and Community Development

Operates and maintains two feature public parks (Rotary Peace Park and Shipyards Park), approximately 36 neighbourhood parks encompassing outdoor rinks and playgrounds, two cemeteries, 35,800 hectares of green space, approximately 700 kilometres of trails, approximately 3,000 strands of winter lights and plant 1,200 dozen flowers annually. Oversee and co-ordinate many community initiatives, administer the Festivals and Special Events Grants, book events in City parks, co-ordinate local events with community partners and host approximately 10 annual corporate events.

Bylaw Services

Supports a safe and healthy environment for the citizens of Whitehorse by ensuring compliance with City bylaws, from parking to the protection of animals. We use an educational approach to resolve infractions whenever possible, and focus on quality customer service.

Recreation and Facility Services

Operates and maintains the Canada Games Centre, Takhini Arena and the Grey Mountain Room at the Mt. McIntyre Recreation Centre. We offer a variety of recreational programs, activities, and events, as well as work in partnership with community clubs and organizations. Our department has something to offer people of all ages and all abilities.

Transit Services

Provides safe, reliable, cost-effective, and environmentally responsible public transportation supporting the social and economic well-being of our citizens. We also operate the Handy-Bus service, a curb-to-curb service for persons unable to use the conventional transit system due to physical and/or cognitive disabilities.

DEVELOPMENT SERVICES DIVISION

Planning and Building Services

Carries out long-range planning in consultation with the community. We issue business licenses, development permits and building permits. We administer the City's official community plan, zoning bylaw and heritage registry. We are the lead coordinating department for government initiated land development projects in the City and process applications for zoning amendments and land subdivisions. We ensure a consistent application of City policies and legislation in order to facilitate development. Our building inspections branch ensures public health and safety by carrying out site inspections and approvals for construction projects. We educate and ensure compliance on national and municipal standards, and offer general advice to the public, contractors, and design professionals.

Engineering Services

Facilitates the planning, design, and construction of the City's existing infrastructure and new developments including transportation and traffic control, water and waste infrastructure, parks, trails and commuter paths, and environmental works. We provide engineering design, and construction and design and operational advice to other City departments, non-governmental organizations, developers, commercial businesses, and the public.

Environmental Sustainability

Is responsible for the implementation of the Whitehorse Sustainability Plan and the integration of sustainability into City decision-making, policies, and operations. Key initiatives include energy management, solid waste diversion, greenhouse gas emission reduction efforts, and developing programs and policies to encourage sustainable behaviour amongst residents and visitors.

INFRASTRUCTURE AND OPERATIONS DIVISION

Fire Services

Provides fire suppression, ice rescue, technical rope rescue, confined space rescue, motor vehicle extraction, and emergency response. Fire prevention is a key initiative which includes building inspections, building plan reviews, to ensure code compliance, and Fire education. Staff receive training in the department's onsite training centre, as well as accredited training from outside organizations in firefighting, rescue, and fire prevention. Our 24-hour dispatch service answers fire emergency calls, as well as bylaw complaints and after-hours calls to the City's trouble line.

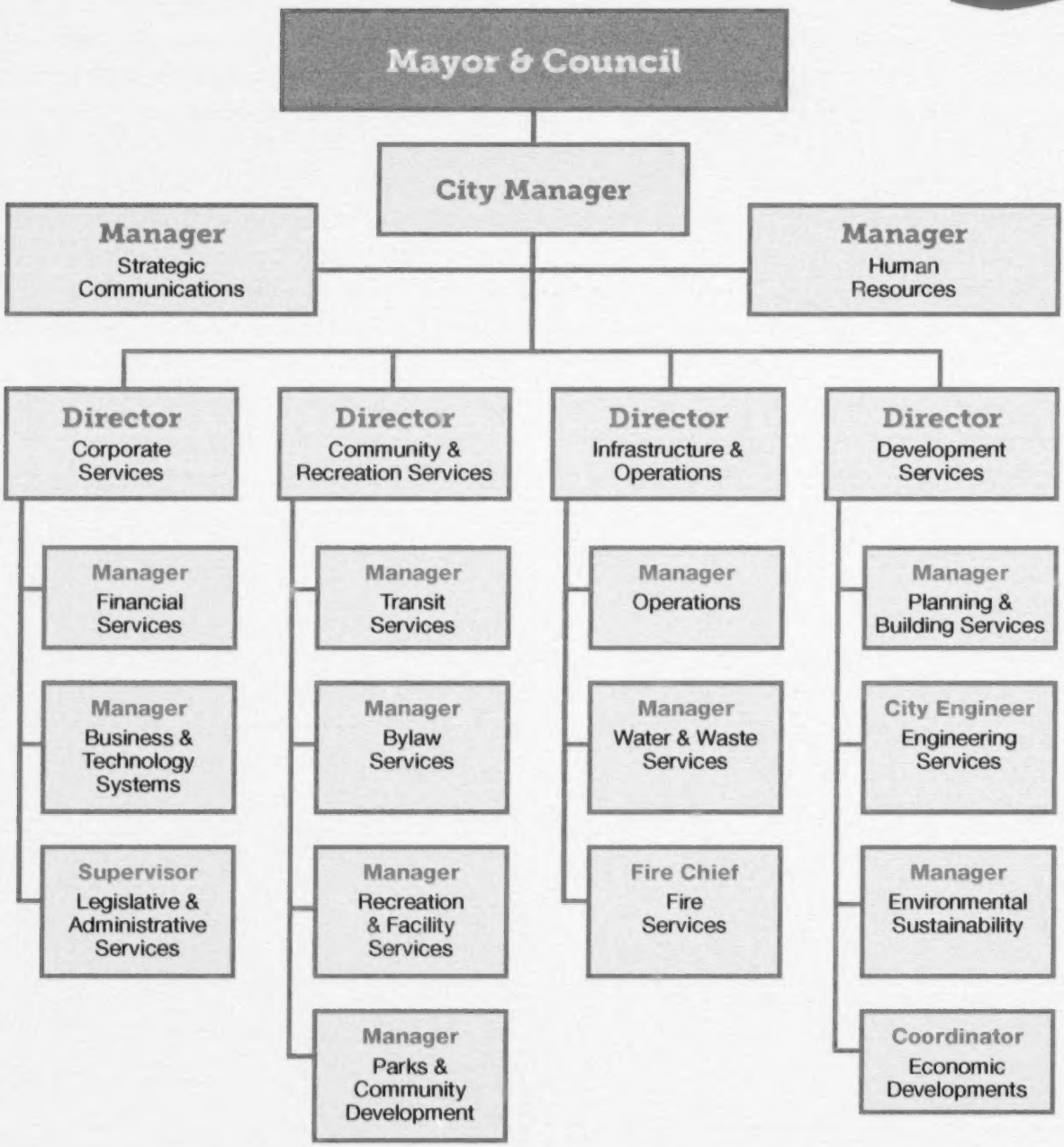
Operations

Is responsible for the repair and maintenance of City-owned and operated assets. Transportation maintenance cares for 600 kilometres of city roads, including snow and ice control, road repair and special event support. Equipment Maintenance and Building Maintenance are responsible for maintenance and repairs of vehicles, equipment and 130 City-owned buildings. The Traffic/Sign Shop is responsible for operation and maintenance of traffic signals, road markings and signs, and parking meters.

Water and Waste Services

Operates and maintains the City's potable water supply and distribution system, the sanitary sewer system (including two wastewater treatment lagoons), and the storm water collection system. This critical infrastructure meets or exceeds legislated health and safety requirements and provides high-quality potable water. We oversee the City's waste collection service and the Waste Management Facility, including processing of reusable, recyclable, compostable and waste materials. We work closely with the Environmental Sustainability department to increase waste diversion.

CITY DEPARTMENTS



TREASURER'S REPORT

Throughout the year monthly internal reports are prepared for management review measuring progress against budget and, after both second and third quarters, quarterly variance reports presented to Council. In accordance with the *Municipal Act*, the City of Whitehorse prepares annual financial statements for our operations. The Financial Statements show the state of the City's finances at the end of each year.

The City's Management is responsible for the preparation and presentation of these financial statements. They must be done in accordance with Canadian public sector accounting standards, be a fair presentation and have such internal controls as management determines is necessary so that they are free from material misstatement, whether due to fraud or error. To ensure that the statements are in compliance, they undergo an external audit by an independent auditor.

The *Municipal Act* requires that these statements be forwarded to Council and then on to the Government of Yukon. Council also approves disposition of the surplus. The *Municipal Act* requires that this process be completed annually by June 30.

The Financial Statements encompass the following individual statements and schedules:

a) **Statement of Financial Position –** provides a summary of the City's financial and physical assets and liabilities.

b) **Statement of Operations –** provides a summary of funds raised by the City and the use of such funds during the year.

c) **Statement of Changes in Net Financial Assets –** shows how the changes in physical assets occurred through the purchase and disposition of physical assets.

d) **Statement of Cash Flows –** summarizes how the City's cash position changed during the year by highlighting the sources and uses of cash.

e) **Statement of Financial Activities – by Segment –** provides more specific information on the municipality's key segments (activities). Note: there is a separate schedule for each of 2013 and 2014.

f) **Schedule of Water & Sewer Utility –** as this area is operated as a separate utility this schedule provides a summary of the City's water and sewer operation.

Also included are Notes to the Financial Statements which are an integral part of the statements and provide further context and detail about the City's financial results.

The City's Auditors have completed their review of the statements, schedules, and notes. They confirm that these statements fairly present the financial position of the City of Whitehorse as at December 31, 2014.

TREASURER'S REPORT

2014 Analysis:

Council adopted an operating and capital budget for 2014 totalling $81,425,068. Throughout the year, a series of Council approved amendments were made, primarily as a result of re-budget requests, totaling $10,253,546 for a new budget total of $91,678,614.

The Statement of Financial Position (Statement 1) shows the City's Balance Sheet position has increased at the end of 2014 by $53,947,642 with a new accumulated surplus of $437,753,093. This occurs as a result of increased financial assets of $3,735,662, decreased liabilities of $195,223 and increased non-financial assets of $50,016,759.

	2014	2013	Change
Financial assets	$ 48,833,016	$ 45,097,354	$ 3,735,662
Liabilities	24,753,674	24,948,897	(195,223)
Net financial assets	24,079,342	20,148,458	3,930,884
Non-financial assets	413,673,751	363,656,992	50,016,759
Accumulated surplus	**$ 437,753,093**	**$ 383,804,450**	**$ 53,947,642**

The accumulated surplus of $437,753,093 is further explained in Note 2, with a breakdown of reserves, tangible capital asset investment and general surplus as follows:

Total reserves	$ 28,066,141
Surplus	
Invested in tangible capital assets	411,766,552
Long-term liabilities	(9,384,964)
Net investment in tangible capital assets	402,381,588
General surplus	7,305,363
Accumulated surplus	**$ 437,753,092**

This clearly shows that while the City's reserves hold over $28 million, the bulk of the City of Whitehorse's accumulated surplus is already spent and has been invested in infrastructure known as "tangible capital assets".

The Statement of Operations (Statement 2) compares the year's actual expenses to the final approved 2014 budget. The budget numbers combine both Capital and Operating approved amounts and restate them in accordance with PSAB standards as shown in Note 12. These results show that the annual surplus was planned to be $5,187,125 compared to an actual surplus of $53,947,643. Surplus in the sense of these statements does not equate to profit for the year. It instead refers to the excess of revenue over expenses, not including investments in tangible capital assets. The $48,760,518 difference between budgeted annual surplus and the actual annual surplus arises due mainly to the donation of Whistle Bend infrastructure from the Yukon Government as detailed in Note 4.

The Statement of Changes in Net Financial Assets (Statement 3) reflects how the changes in physical assets occurred with their purchase, depreciation and disposition. $65,242,963 was invested in the acquisition of new tangible capital assets in 2014 (including the donated assets) and $14,487,175 was depreciated over the same period. An investment level in assets that exceed the cost of using existing assets is generally a healthy sign for a municipality. This is the second year in a row where this investment has not been made however, given Council's strategy to reduce capital investment to build up reserves for the consolidated building project a temporary reduction in the City's asset investment levels is not cause for concern.

The Statement of Cash Flows (Statement 4) shows how the City financed its activities and met its cash requirements during the year. These activities resulted in an increase in cash of $6,936,303 for the year.

Fiscal Health

One of the results of the Public Sector Accounting Board rules is that a greater emphasis is placed on the Statement of Financial Position (Statement 1) which shows the long-term fiscal health of the municipality, as opposed to a traditional operating statement which reflects a more short-term perspective.

Six financial tests are performed on the data contained in the 2014 Financial Statements to test the financial health of the municipality. Below is an explanation of these tests.

Financial Condition Test #1 uses data from the Statement of Operations and tangible capital asset records. This indicator shows that operating revenue as a ratio of total revenue is within the benchmarked range. Within the acceptable range the ratio starts to reflect less of a reliance on funding from senior government than in the past, and begins to move the City into a position more comparable to other jurisdictions. The 2014 result is 0.886, within an acceptable range of 0.798 – 0.972.

Financial Condition Test #2 uses data from Note 3 and the Statement of Operations. This reflects that the City's ability to overcome a temporary shortfall of revenue is low. The 2014 result is 0.098 with an acceptable range being 0.101 – 0.358. Uncommitted reserves are our Capital, Contingency and General Fund reserve. The strategy approved by Council to build reserves for the Building Consolidation Project has resulted in these reserves increasing by nearly $700,000 in 2014, bringing the ratio up from the 2014 level of 0.088.

TREASURER'S REPORT

Financial Condition Test #3 uses data from the Statement of Financial Position and is a measure of the City's liquidity or ability to pay its obligations. The 2014 result is 1.607 with an acceptable range of 1.00 – 2.50. The 2014 cash balance is 21% higher than 2013's due to a combination of collection of government accounts receivable and Council's strategy to build up City reserves; this has resulted in strengthening the outcome of this financial test.

Financial Condition Test #4 uses data from the Statement of Financial Position and the Statement of Operations. This test shows general liabilities as a ratio of operating revenue is just within the acceptable range which means that short-term obligations can now be serviced with the normal flow of revenues. The 2014 result is 0.246 within an acceptable range of 0.125 – 0.250.

Financial Condition Test #5 uses data from the Statement of Financial position to show that per capita debt remains well within the maximum stipulated in the City's Debt Management Policy. The 2014 result is $336, based on September 2014 population data, within an acceptable range of $0 - $500. This number has fallen by approximately 7% since 2013 based on paying down existing debt and deferring additional borrowing.

Financial Condition Test #6 uses data from the Statement of Cash Flows and Schedule 1. This test shows that the cost of principal and interest on borrowed funds as a ratio of operating revenue is low and as such would indicate the City has the ability to pay its debt when due. The 2014 result is 0.021 within an acceptable range of 0.018 - 0.136.

Water & Sewer Utility

As the Water & Sewer services of the City are operated as a separate utility it is necessary to break out the operating costs as shown in Schedule 2. The schedule shows a deficit of $774,743 which, in order to maintain the separation between taxpayer funded activities and the operations of the utility, must be funded by rate payers. This is done by a transfer from the Water & Sewer reserve in 2015 or by a rate increase to cover the deficit in 2016. It should be noted that for the two years prior deficits totalling $1,033,509 have been funded from the water & sewer reserve.

In this area, revenues were on budget taking into consideration that the prior year's deficit was built into 2014 rates. Higher than anticipated electrical costs of over $226,000 as reported to Council through the 2014 variance process, as well as unexpected infrastructure issues resulting in additional staff costs of $205,000, materials & supplies of $106,000 and other service costs of nearly $72,000 contributed to this deficit.

It should be noted that at this time the deficit allocated to rate payers is the deficit arising before depreciation and gain/loss on disposal which when added in increase the utility's deficit to $4,699,976. Depreciation is not included at this time as the City does not currently raise revenues to fund the City's overall depreciation amount of $14,487,175.

Significant Trends

Revenues	Average Annual Change	2014	2013	2012	2011	2010	2009
Property taxes	6.57%	$ 33,864,432	$ 32,607,543	$ 30,191,241	$ 28,051,329	$ 26,219,850	$ 24,345,547
User fees	5.57%	14,915,285	14,167,530	13,284,807	12,542,391	12,128,532	11,377,280
Other	18.78%	6,120,962	6,156,561	8,777,898	19,855,823	10,674,331	5,498,174
Total		**$ 54,900,679**	**$ 52,931,634**	**$ 52,253,946**	**$ 60,449,543**	**$ 49,022,713**	**$ 41,521,001**

The above numbers have been pulled from the Statement of Operations, net of government grants which vary significantly from year to year depending on approved projects. The major revenue increase between 2014 and 2013 is an additional $1.25 million in Property Taxes caused by both an increased to the mill rate and by growth in the community, and additional user fees of $0.71 million primarily due to fee increases in the landfill and utility areas which are operated on a cost recovery basis. The data in the above table should not interpreted as an increase to tax rates over the period in question; it summarizes the changing revenues collected.

Financial Position	Average Annual Change	2014	2013	2012	2011	2010	2009
Financial Assets	15.94%	$ 48,833,016	$ 45,097,354	$ 39,945,949	$ 36,589,231	$ 27,214,401	$ 23,680,559
Liabilities	9.47%	24,753,674	24,948,897	24,281,233	21,356,388	21,939,270	16,332,779
Net Financial Assets		**$ 24,079,342**	**$ 20,148,457**	**$ 15,664,716**	**$ 15,232,843**	**$ 5,275,131**	**$ 7,347,780**

Additional information on the City's obligations can be found in the notes to the financial statements. The City has a Debt Management policy which establishes conditions for the use of debt, creates procedures that define the level of debt to be included in rates and minimize the City's debt servicing costs.

Reserves	Average Annual Change	2014	2013	2012	2011	2010	2009
	15.71%	$ 28,066,141	$ 26,794,391	$ 24,372,168	$ 22,268,666	$ 14,929,089	$ 14,276,834

The City's reserves are used to fund a portion of the City's capital program and occasionally stabilize minor expenditure and revenue variances from one year to the next. The increase in 2014 reserve levels occurs as a result of Council's strategy to build the levels and reduce capital spending in order to partially offset the costs of the future Building Consolidation Project.

TREASURER'S REPORT

Summary

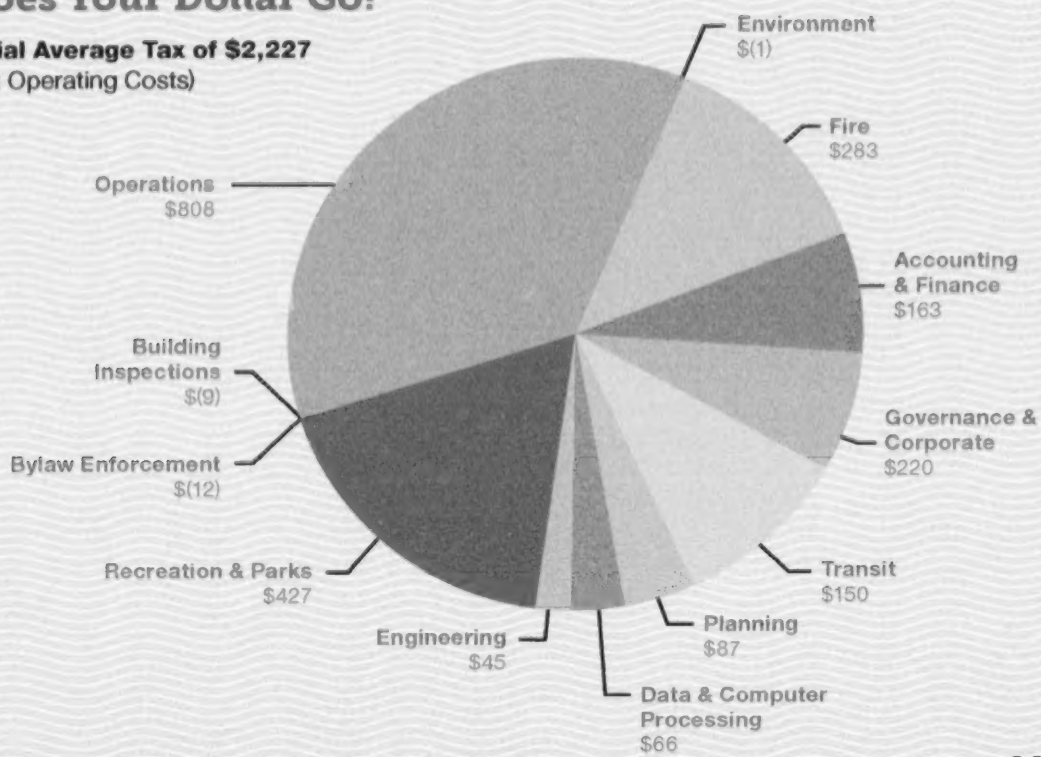
The statements reflect the financial position of the City at the end of the year including the total accumulated surplus of $437,753,093. Most of this surplus is invested in the fixed assets of the City, meaning land, land improvement, buildings, equipment, linear assets (mainly made up of roads and underground pipes), and assets under construction.

The City's vision speaks to acting in a fair and fiscally responsible manner.The City submits that the City's budget and financial results have combined to keep taxes and utilities among the lowest across Canada; however community growth and, to a lesser extent, inflation pressures continue to make balancing service levels with costs more challenging.

Valerie Anderson MPA, CPA, CGA
Chief Financial Officer
June 29, 2015

Where Does Your Dollar Go?

2014 Residential Average Tax of $2,227
(Net Department Operating Costs)



FINANCIAL SECTION

FINANCIAL SECTION

Management's Report

City of Whitehorse management is responsible for the integrity, relevance and comparability of the data in the accompanying financial statements. The financial statements are prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Preparing the statements necessarily includes some amounts based on the best estimates and judgments of management. Financial data elsewhere in the Annual Report is consistent with that of the financial statements.

To assist in meeting its responsibility, management maintains accounting, budget and other internal controls. These controls provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that the integrity of financial records is maintained. As well, it is the practice of the City to maintain the highest standard of ethics in all its activities.

BDO Canada LLP has audited the financial statements. Their report to the Mayor and City Council, stating the scope of their examination and opinion of the consolidated financial statements, follows.

Valerie Anderson MPA, CPA, CGA
Chief Financial Officer
June 29, 2015

BDO

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whitehorse@bdo.ca
www.bdo.ca

BDO Canada LLP
Suite 202
9016 Quartz Road
Whitehorse, YT Y1A 2Z5 Canada

Independent Auditor's Report

To the Mayor and Council of the City of Whitehorse

We have audited the accompanying financial statements of the City of Whitehorse, which comprise the Statement of Financial Position as at December 31, 2014 and the Statements of Operation, Change in Net Financial Assets, and Cash Flows for the year then ended, and a summary of significant accounting policies, and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the City of Whitehorse as at December 31, 2014 and the results of its operations, cash flows and changes in net financial assets for the year then ended in accordance Canadian public sector accounting standards.

BDO Canada LLP

Chartered Accountants

Whitehorse, Yukon
June 29, 2015

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

CITY OF WHITEHORSE
Statement of Financial Position
as at December 31, 2014

	2014 Actual	2013 Actual Restated - Note 2
Financial assets		
Cash	$ 39,773,487	$ 32,837,184
Accounts receivable	3,399,307	3,708,046
Government transfers receivable		
Government of Yukon	1,957,911	3,113,647
Other due from government		
Government of Canada	61,644	615,594
Government of Yukon	3,511,030	4,723,040
First Nation Governments	87,482	50,062
Other financial assets	42,155	49,783
Total financial assets	$ 48,833,016	$ 45,097,354
Liabilities		
Accounts payable	$ 8,718,701	$ 9,842,625
Employee future benefits (Note 10)	2,035,800	1,777,200
Landfill closure & post closure liability (Note 9)	1,288,955	1,129,831
Deferred revenue	1,483,929	1,283,765
Deposits	1,841,326	884,257
Long term debt (Note 5)	9,384,964	10,031,218
Total liabilities	$ 24,753,674	$ 24,948,897
Net financial assets	$ 24,079,342	$ 20,148,458
Non-financial assets		
Tangible Capital Assets (Note 4)	$ 411,766,553	$ 361,295,904
Land for resale	698,839	684,726
Inventory	510,432	543,152
Prepaid expenses	697,927	1,133,208
Total non-financial assets	$ 413,673,751	$ 363,656,992
Accumulated surplus (Note 3)	$ 437,753,093	$ 383,805,450

The accompanying notes are an integral part of these financial statements

Approved by:

Valerie Anderson, **MPA, CPA, CGA**
Chief Financial Officer

CITY OF WHITEHORSE
Statement of Operations
for the year ended December 31, 2014

	2014 Budget Note 12	2014 Actual	2013 Actual Restated - Note 2
Revenues			
Taxes and payments in lieu of taxes	$ 33,887,388	$ 33,864,432	$ 32,607,543
Government transfers	16,393,106	13,993,974	15,136,317
Sales of goods and services	15,017,883	14,915,285	14,167,530
Licenses, permits, penalties and fines	2,762,250	2,617,850	2,311,530
Developers' contributions	418,200	712,892	302,094
Investment income	330,000	420,022	335,147
Other revenues	5,743,247	2,370,197	3,207,783
Donated assets (Note 4)	-	51,538,400	7
Total revenue	$ 74,552,074	$ 120,433,053	$ 68,067,951
Expenses			
General government services	$ 12,006,473	$ 11,044,225	$ 11,960,364
Protective services	8,146,156	7,727,744	7,246,218
Transportation services	19,359,045	18,730,152	17,964,976
Environmental services	13,422,839	13,933,744	11,927,055
Public health services	274,008	291,064	249,001
Community development services	2,410,838	1,630,242	2,098,480
Recreation and cultural services	13,745,590	13,128,239	12,924,312
Total expenses	$ 69,364,949	$ 66,485,410	$ 64,370,407
Annual surplus/(deficit)	$ 5,187,125	$ 53,947,643	$ 3,697,543
Accumulated surplus at beginning of year	$ **383,805,450**	$ **383,805,450**	$ **380,107,906**
Accumulated surplus at end of year	$ 388,992,575	$ 437,753,093	$ 383,805,450

The accompanying notes are an integral part of these financial statements

CITY OF WHITEHORSE
Statement of Change in Net Financial Assets
for the year ended December 31, 2014

	2014 Budget Note 12	2014 Actual	2013 Actual Restated - Note 2
Annual surplus/deficit	$ 5,187,125	$ 53,947,643	$ 3,697,543
Acquisition of tangible capital assets	$ (19,621,373)	$ (65,242,963)	$ (11,565,703)
Depreciation of tangible capital assets	14,487,175	14,487,175	13,316,308
(Gain)/loss on disposal of tangible capital assets	-	281,365	50,093
Proceeds on disposal of tangible capital assets	-	3,777	0
	$ (5,134,198)	$ (50,470,646)	$ 1,800,698
Acquisition of inventories of supplies	$ -	$ (510,432)	$ (543,152)
Acquisition of prepaid expense	-	(697,927)	(1,133,208)
(Aquisition)/reduction of land for sale inventory	-	(14,113)	90,973
Consumption of supplies inventories	-	543,152	562,177
Use of prepaid expense	-	1,133,207	8,710
	$ -	$ 453,887	$ (1,014,500)
Change in net financial assets	$ 52,927	$ 3,930,884	$ 4,483,741
Net financial assets at beginning of year	$ 20,148,458	$ 20,148,458	$ 15,664,716
Net financial assets at end of year	$ 20,201,385	$ 24,079,342	$ 20,148,458

The accompanying notes are an integral part of these financial statements

CITY OF WHITEHORSE
Statement of Cash Flows
for the year ended December 31, 2014

	2014 Actual	2013 Actual Restated - Note 2
Operating transactions		
Annual surplus/(deficit)	**$ 53,947,643**	**$ 3,697,543**
Items not utilizing cash		
Depreciation	$ 14,487,175	$ 13,316,308
Loss on disposal of tangible capital assets	281,365	50,093
Tangible capital assets donated (Note 4)	(51,538,400)	(7)
Change in non-cash operating balances		
Accounts receivable	308,738	2,477,113
Grants receivable	2,884,276	7,196,114
Other assets	7,628	7,384
Accounts payable	(1,123,925)	1,071,621
Employee future benefits	258,600	(29,500)
Landfill closure liability	159,124	154,397
Deposits	957,067	(139,867)
Deferred revenue	200,163	405,078
Cash provided by operating transactions	$ 20,829,454	$ 28,206,277
Capital transactions		
Cash used to acquire tangible capital assets	$ (13,704,563)	$ (11,565,696)
Proceeds on disposal of tangible capital assets	3,777	0
Proceeds from Land for Resale	(14,113)	90,973
Inventory	32,720	19,025
Prepaid expenses	435,280	(1,124,497)
Cash applied to capital transactions	$ (13,246,899)	$ (12,580,195)
Financing transactions		
Proceeds from debt issues	$ -	$ -
Debt repayment	(646,253)	(794,066)
Cash provided (applied) to financing transactions	$ (646,253)	$ (794,066)
Increase/(decrease) in cash	**$ 6,936,303**	**$ 14,832,016**
Cash at beginning of year	$ 32,837,184	$ 18,005,168
Cash at end of year	$ 39,773,487	$ 32,837,184

The accompanying notes are an integral part of these financial statements

CITY OF WHITEHORSE
Schedule 1 - Statement of Financial Activities - by Segment
for the year ended December 31, 2014

Whitehorse
THE WILDERNESS CITY

	Total All Funds							
	General Gov't Services	Protective Services	Transportation Services	Environmental Services	Public Health Services	Community Development	Recreation & Cultural Services	Consolidated
Revenues	segments detailed in Note 11							
Taxes & Payments In Lieu Of Taxes	$ 33,864,432	$ -	$ -	$ -	$ -	$ -	$ -	$ 33,864,432
Government Transfers	13,090,849	50,000	210,053	216,035	-	207,112	219,926	$ 13,993,974
Sales Of Goods And Services	49,860	142,708	1,254,768	9,961,840	41,990	68,894	3,395,225	$ 14,915,285
Licenses,Permits,Penalties & Fines	117,736	2,280,070	4,300	134,020	-	81,724	-	$ 2,617,850
Developers Contributions	-	-	-	-	-	712,892	-	$ 712,892
Investment Income	420,022	-	-	-	-	-	-	$ 420,022
Other Revenue	1,502,382	(2,022)	(13,650)	798,532	-	12,769	72,187	$ 2,370,197
Donated Assets	-		19,109,743	30,321,332	-	-	2,107,325	$ 51,538,400
Total:	$ 49,045,280	$ 2,470,756	$ 20,565,214	$ 41,431,758	$ 41,990	$ 1,083,391	$ 5,794,662	$ 120,433,053
Expenses								
Salaries & Benefits	$ 6,500,898	$ 6,064,596	$7,260,171	$4,216,377	$188,277	$1,271,728	$6,932,206	$ 32,434,253
Materials & Supplies	$ 1,746,236	491,689	4,046,214	$2,312,156	48,687	34,974	2,863,019	$ 11,542,975
Professional Services	$ 1,654,730	111,476	115,309	$1,425,551	-	278,575	571,654	$ 4,157,294
Public Relations	$ 91,914	13,350	10,502	$30,348	-	8,181	133,318	$ 287,613
Community Grants	$ 561,107	-	-	$191,866	-	36,785	315,450	$ 1,105,207
Interest	$ -	380,663	123,803	$17,664	-	-	8,339	530,469
Depreciation	$ 473,050	569,171	7,030,263	$4,074,447	54,100	-	2,286,146	$ 14,487,176
Other	$ 16,290	96,800	143,891	$1,665,336	-		18,106	$ 1,940,423
Total:	$ 11,044,225	$ 7,727,744	$ 18,730,152	$ 13,933,744	$ 291,064	$ 1,630,242	$ 13,128,239	$ 66,485,410
Annual Surplus / (Deficit)	$ 38,001,055	$ (5,256,989)	$ 1,835,062	$ 27,498,015	$ (249,074)	$ (546,851)	$ (7,333,577)	$ 53,947,643

CITY OF WHITEHORSE

Schedule 1 - Statement of Financial Activities - by Segment

for the year ended December 31, 2013

Whitehorse
THE WILDERNESS CITY

Total All Funds	General Gov't Services	Protective Services	Transportation Services	Environmental Services	Public Health Services	Community Development	Recreation & Cultural Services	Consolidated
Revenues	segments detailed in Note 11							
Taxes & Payments In Lieu Of Taxes	$ 32,607,543	$ -	$ -	$ -	$ -	$ -	$ -	$ 32,607,543
Government Transfers	14,133,896	50,000	211,042	-	-	292,185	449,194	$ 15,136,317
Sales Of Goods And Services	54,651	202,462	1,144,337	9,155,690	49,773	22,593	3,538,024	$ 14,167,530
Licenses,Permits,Penalties & Fines	128,764	1,995,867	3,525	136,036	-	47,337	-	$ 2,311,530
Developers Contributions	-	-	-	-	-	302,094	-	$ 302,094
Investment Income	335,147	-	-	-	-	-	-	$ 335,147
Other Revenue	2,523,329	7,078	180,714	389,268	-	50,185	57,208	$ 3,207,783
Donated Assets	7	-	-	-	-	-	-	$ 7
Total:	$ 49,783,337	$ 2,255,407	$ 1,539,618	$ 9,680,994	$ 49,773	$ 714,395	$ 4,044,427	$ 68,067,951
Expenses								
Salaries & Benefits	$ 6,041,365	$ 5,579,874	$ 6,804,143	$ 3,472,417	$172,945	$ 1,141,081	$ 6,557,968	$ 29,769,794
Materials & Supplies	$ 1,719,980	483,774	4,387,142	2,281,788	19,898	43,674	3,015,263	$ 11,951,519
Professional Services	$ 2,905,859	56,020	108,290	1,317,477	-	789,222	668,160	$ 5,845,028
Public Relations	$ 153,508	35,998	8,872	10,213	-	106,124	112,307	$ 427,022
Community Grants	$ 537,654	-	-	144,259	-	17,569	358,940	$ 1,058,422
Interest	$ 1,397	443,079	137,277	25,251	-	-	12,566	619,569
Depreciation	$ 518,664	575,473	6,515,160	3,451,745	56,158	-	2,199,109	$ 13,316,308
Other	$ 81,937	72,000	4,093	1,223,905	-	810	-	$ 1,382,745
Total:	$ 11,960,364	$ 7,246,218	$ 17,964,976	$ 11,927,055	$ 249,001	$ 2,098,480	$ 12,924,312	$ 64,370,407
Annual Surplus / (Deficit)	$ 37,822,973	$ (4,990,811)	$ (16,425,359)	$ (2,246,061)	$ (199,228)	$ (1,384,085)	$ (8,879,886)	$ 3,697,543

CITY OF WHITEHORSE
Schedule 2 - Water & Sewer Utility
for the year ended December 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Revenue			
Administration			
Miscellaneous income	$ 213,499	$ 378,965	$ 45,636
Previous year's surplus/(deficit)	(414,366)		(159,879)
	$ (200,867)	$ 378,965	$ (114,243)
Water and Sewer Supply			
Flat rate sales	$ 4,779,289	$ 4,722,497	$ 4,478,255
Metered rate sales	2,462,012	2,438,873	2,305,700
	$ 7,241,301	$ 7,161,370	$ 6,783,955
Water and Sewer Other			
Frontage charges	$ 33,231	$ 33,231	$ 33,231
Penalties	108,000	122,703	117,696
Recoveries	276,300	266,858	224,968
	$ 417,531	$ 422,792	$ 375,895
Total revenue	$ 7,457,965	$ 7,963,127	$ 7,045,607
Expenses			
Administration	$ 1,932,811	$ 2,112,370	$ 1,836,926
Water system operations	3,132,053	3,436,988	2,951,382
Sewage collection and disposal	1,263,298	1,616,710	1,815,195
Water and sewer debt charges	20,059	17,664	25,251
	$ 6,348,221	$ 7,183,732	$ 6,628,754
Transfers to reserves			
Current year transfer	$ 1,524,110	$ 1,554,138	$ 1,035,996
	$ 1,524,110	$ 1,554,138	$ 1,035,996
Total expenses	$ 7,872,331	$ 8,737,870	$ 7,664,750
Surplus/(deficit) before depreciation & gain/loss on disposal	$ (414,366)	$ (774,743)	$ (619,143)
Depreciation	$ -	$ 3,856,658	$ 3,272,931
Gain/loss on disposal	-	68,575	-
Surplus/(deficit) after depreciation & gain/loss on disposal	$ (414,366)	$ (4,699,976)	$ (3,892,074)

NOTES TO **FINANCIAL STATEMENTS**
DECEMBER 31, 2014

1. Significant Accounting Policies

Basis of Presentation

The Financial Statements of the City of Whitehorse are prepared in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Reporting Entity

The financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity which comprises all the organizations that are accountable for the administration of their financial affairs and resources to the Council and are owned or controlled by the City. There are no external organizations that currently meet the criteria of forming part of the reporting entity.

All inter-fund balances and transactions are eliminated.

Basis of Accounting

Revenues and expenses are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Budget Figures

Budget figures have been provided for comparison purposes. Given differences between the funding model and generally accepted accounting principles for local governments established by Canadian Public Sector Accounting Standards, certain budgeted amounts have been reclassified to reflect the presentation adopted under Canadian Public Sector Accounting Standards (Note 12).

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, in performing actuarial valuations of employee future benefits, and landfill closure and post closure costs.

Actual results could differ from these estimates.

Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in nonfinancial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets for the year.

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of an asset. The cost, less residual value, of the tangible capital assets, excluding land are depreciated on a straight line basis over their estimated useful lives as follows:

Asset	Rate
Land improvements	10 – 99 years
Buildings	10 – 60 years
Equipment	3 – 30 years
Linear Assets	10 – 80 years

Annual depreciation is charged in the year of acquisition and in the year of disposal. Assets under construction are not depreciated until the asset is available for productive use.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

Natural Resources

Natural resources that have not been purchased are not recognized as assets in the financial statements.

Works of Art and Cultural and Historic Assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

Land for resale

Land for resale is carried at cost. Cost includes capitalized carrying costs other than interest. Land for resale is written down to the extent that it exceeds estimated future net realizable value. To date, no write downs have been made.

Interest Capitalization

Interest costs associated with the acquisition or construction of a tangible capital asset are not capitalized.

Leased Tangible Capital Assets

Leases which transfer substantially all the benefits and risks incidental to ownership of the property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

Inventories of Supplies

Inventories of supplies held for consumption are recorded at cost and are written down when obsolete.

Deferred Revenue

Deferred revenue includes prepaid frontage tax received from property owners. The current year's portion of the prepaid tax is calculated on a straight-line basis. Each year the frontage debenture. Other prepaid revenue items are also included in this amount.

Taxation Revenue

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal services in the year they are levied. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts. Levies imposed by other taxing authorities are not included as taxes for municipal purposes.

Through the Yukon's appeal process, taxes may be adjusted by way of supplementary roll adjustments. The effects of these adjustments on taxes to the extent that they exceed initial estimates are recognized at the time they are awarded.

Government Transfers

Government transfers, which include legislative grants, are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

The most significant government transfer relates to the Comprehensive Municipal Grant received from the Yukon Government ($6,695,588 received in 2014). Government transfers related to contributions from gas tax collected by the Federal Government are deferred until spent on eligible projects. The following summarizes the changes in the balance included in deferred revenue:

Gas Tax	2014	2013
Opening balance of unspent funds	$ 274,267	$ 31,659
Opening reserve balance	33,003	32,638
Add:		
Amount received during the year	410,923	9,947,422
Interest earned	1,228	364
Less:		
Amount allocated to projects	592,260	9,737,816
Closing balance of unspent funds	$ 127,161	$ 274,267
Other government transfers	325,823	-
Total deferred government transfers	**$ 452,983**	**$ 274,267**

Prepaid Expenses

Included in prepaid expenses are expenses paid in the current period relating to a future period. In 2014, the balance of $697,927 was primarily related to prepaying insurance premiums due January 1 (2013 $1,133,208).

Prior Period Adjustment

2.

On January 1, 2009, the City was required by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada to adopt revised Public Sector Accounting Standards: Section 1000 – Financial Statement Concepts, Section 1100 – Financial Statement Objectives, Section 1200 – Financial Statement Presentation and Section 3150 – Tangible Capital Assets. At the end of the 2013 year the City began a review of their recorded assets to ensure accuracy. As a result a number of assets were reclassified and four previously unrecorded bridges identified. Reclassification adjustments were made in 2014 with no change to net book value and adjustments to Linear Assets were made on a retroactive basis resulting in restatement of the prior period. The impact of these restatements was as follows:

2013

Statement of Financial Position	
Increase in Tangible Capital Assets	352,988
Increase in Accumulated Surplus	**$ 352,999**

Statement of Operations	
Expenses:	
Increase in depreciation of tangible capital assets	(15,875)
Total decrease in annual surplus	**$ (15,875)**
Accumulated surplus at beginning of year	
Tangible capital asset increase	368,863
Total change in opening accumulated surplus	**368,863**
Increase in accumulated surplus at end of year	**$ 352,988**

Statement of Change in Net Financial Assets	
Decrease in annual surplus/deficit	(15,875)
Increase in depreciation of tangible capital assets	15,875
Increase in net financial assets at end of year	**$ 0**

Statement of Cash Flows	
Decrease in annual surplus/deficit	$ (15,875)
Items not utilizing cash	
Increase in depreciation	15,875
Increase/decrease in cash and cash equivalents	**$ 0**

3. Accumulated Surplus

Accumulated surplus consists of individual fund surplus and reserves as follows:

		Appropriations:		
	2014	to reserves	(from) reserves	2013 Restated - Note 2
Reserves:				
Area Development Scheme Reserve	$ 144,385	-	-	$ 144,385
Building Replacement Reserve	1,722,142	478,175	-	1,243,967
Capital Reserve	3,214,773	3,372,962	(2,634,502)	2 ,476,313
Cash In Lieu of Municipal Reserve	595,020	-	-	595,020
Cemetery Perpetual Care Reserve	135,398	7,149	-	128,250
Computer Equipment Reserve	207,069	100,236	(94,375)	201,208
Contingency Reserve	506,896	400	(241,698)	748,194
Development Cost Charge (DCC) Reserve	3,510,254	828,052	(355,328)	3,037,530
DCC: Rec Facility Replacement	1,378,868	210,440	-	1,168,428
Environmental Protection Reserve	(72,900)	122,181	(172,094)	(22,986)
Equipment Reserve	426,599	537,891	(1,383,862)	1,272,570
Gas Tax Reserve	34,231	1,228	-	33,003
General Fund Reserve	1,634,868	2,228,502	(2,027,548)	1,433,913
Land Bank Reserve	4,094,431	85,667	(70,347)	4,079,111
Parking Development Reserve	2,088,495	340,635	(102,244)	1,850,104
Recreation Facilities Reserve	414,416	145,000	(54,933)	324,348
Recreation Grant Reserve	1,500	-	-	1,500
Sister Cities Reserve	3,000	-	-	3,000
Snow & Ice Control Reserve	5,301	-	-	5,301
Tire Disposal Reserve	70,477	8,400	-	62,077
Transit Equipment Reserve	1,669,332	390,633	-	1,278,698
Water and Sewer Replacement Reserve	6,281,588	1,885,654	(2,334,523)	6,730,457
Total reserves	$ 28,066,141	**$ 10,743,204**	**$ (9,471,455)**	**$ 26,794,391**
Surplus:				
Invested in tangible capital assets	$ 411,766,552			$ 361,295,905
Long-term liabilities	(9,384,964)			(10,031,218)
Net investment in tangible capital assets	**402,381,588**			**351,264,687**
General Surplus	7,305,363			5,746,372
Accumulated surplus	**$ 437,753,092**			**$ 383,805,450**

Tangible Capital Assets

4.

2014 Consolidated Schedule of Tangible Capital Assets – by Category

Category	Restated Balance Beginning of Year	Additions	Disposals	Balance End of Year
Land	$ 18,463,412	-	-	$ 18,463,412
Land improvements	7,356,996	2,756,092	31,897	10,081,191
Buildings	91,963,758	24,997,457	164,221	116,796,994
Equipment	33,349,393	3,432,560	141,600	36,640,353
Linear assets	406,860,743	42,724,513	674,744	448,910,512
Assets under construction	13,699,155	2,332,644	11,000,303	5,031,496
Total	**$ 571,693,457**	**$ 76,243,267**	**$ 12,012,765**	**$ 635,923,959**
Accumulated Depreciation				
Land	-	-	-	-
Land improvements	2,634,801	369,581	25,633	2,978,749
Buildings	35,279,926	3,500,363	104,584	38,675,705
Equipment	18,097,616	2,529,038	138,600	20,488,054
Linear assets	154,385,211	8,088,192	458,504	162,014,899
Assets under construction	-			-
Total	**$ 210,397,553**	**$14,487,175**	**$ 727,321**	**$ 224,157,407**

Net Book Value

Category	Net Book Value December 31, 2013	Additions	Disposals	Net Book Value December 31, 2014
Land	$ 18,463,412	-	-	$ 18,463,412
Land improvements	4,722,195	2,386,511	6,264	7,102,443
Buildings	56,683,832	21,497,094	59,637	78,121,289
Equipment	15,251,777	903,522	3,000	16,152,299
Linear assets	252,475,533	34,636,321	216,240	286,895,614
Assets under construction	13,699,155	2,332,644	11,000,303	5,031,496
Total	**$ 361,295,904**	**$ 61,756,092**	**$ 11,285,443**	**$ 411,766,553**

In 2014 assets with a total cost of $51,538,400 were donated to the City. These assets consist of the Whistle Bend subdivision which was built by the Yukon Government at an estimated fair value of $51,531,400 and two trails with a combined estimated fair value of $7,000. In 2014 the City assumed ownership of the subdivision assets.

Tangible Capital Assets continued...

2013 Consolidated Schedule of Tangible Capital Assets – by Category

Category	Beginning of Year	Additions	Disposals	Restatements	Restated Balance End of Year
Land	$ 18,463,405	$ 7	-		$ 18,463,412
Land improvements (a)	9,571,117	956,632	-	(3,170,753)	7 ,356,996
Buildings (a)	88,293,000	3,235,453	-	435,305	91,963,758
Equipment (a)	32,212,078	4,249,873	109,017	(3,003,541)	33,349,393
Linear assets (a), (b)	399,048,158	2,061,988	497,891	6,248,488	406,860,743
Assets under construction	12,637,406	11,565,696	10,503,946	(1)	13,699,155
Total	**$ 560,225,164**	**$ 22,069,649**	**$ 11,110,854**	**$ 509,498**	**$ 571,693,457**
Accumulated Amortization					
Land	-	-	-	-	-
Land improvements (a)	1,310,536	342,424	-	981,841	2,634,801
Buildings (a)	32,291,780	2,978,885	-	9,261	35,279,926
Equipment (a)	17,362,913	2,461,593	63,016	(1,663,874)	18,097,616
Linear assets (a), (b)	146,532,194	7,517,531	493,798	829,284	154,385,211
Assets under construction	-	-	-	-	-
Total	**$ 197,497,423**	**$ 13,300,433**	**$ 556,814**	**156,511**	**$ 210,397,553**

Net Book Value

Category	Net Book Value December 31, 2012	Additions	Disposals	Restatements	Restated Net Book Value December 31, 2013
Land	$ 18,463,405	$ 7	-	-	$ 18,463,412
Land improvements (a)	8,260,581	614,208	-	(4,152,593)	4,722,196
Buildings (a)	56,001,220	256,568	-	426,044	56,683,832
Equipment (a)	14,849,165	1,788,280	46,001	(1,339,667)	15,251,777
Linear assets (a), (b)	252,515,964	(5,455,543)	4,093	5,419,205	252,475,533
Assets under construction	12,637,406	11,565,696	10,503,946	(1)	13,699,155
Total	**$ 362,727,741**	**$ 8,769,216**	**$ 10,554,040**	**$ 352,987**	**$ 361,295,904**

a) As part of an overall internal review of the City's tangible capital assets some of the assets were reclassified from their original classification to better reflect their functions. There was no effect to the overall net book value of the assets as a result of this reclassification.

b) As part of the internal review it was discovered that bridges previously given or assumed by the City were not included in prior asset registers. Including the 4 bridges in resulted in an increase of $337,113 to the net book value of the City's assets.

In 2013 seven pieces of land were contributed to the municipality as part of arrangements with developers requiring Public Use Land Dedications. These parcels are designated as buffer, park, public utility or roadways within the development plan and are therefore recognized at a nominal value of$1 each consistent with the fair value recognized by the municipality for parcels with these uses. In total 31 parcels of land designated as buffer, park, public utility or roadway are recognized as capital assets at a nominal value of $1 each.

In total 24 parcels of land designated as buffer, park, public utility or roadway are recognized as capital assets at a nominal value of $1 each.

Long Term Debt

5.

Long-term debt is issued on the credit and security of the City of Whitehorse. It is composed of debentures payable to the Yukon Government and loans payable to the Royal Bank and CMHC with various interest rates from 3.26% to 7.50%. Current debt load is 11.17% of the statutory limit as stipulated in the *Municipal Act, R.S.Y. 2002.*

	2014	2013
Balance as at January 1	$ 10,031,218	$ 10,825,283
Add: Borrowing	-	-
Less: Principal Repayments	(646,253)	(794,066)
	$ 9,384,964	**$ 10,031,218**

Retirement requirements for the next twenty years are as follows:

	Principal	Interest
2015	637,579	500,905
2016	489,978	465,566
2017	496,966	440,320
2018	522,657	414,629
2019	549,785	387,502
2020-2034	6,687,999	2,109,066
Total	**$ 9,384,964**	**$ 4,317,987**

6. Contingent Liabilities

At December 31, 2014, contingent liabilities exist because there are legal actions pending against the City. The amount of the liability cannot be estimated at this time. The amount of any loss that may result from these claims will be recorded in the period that the amount becomes determinable.

The City recognizes environmental liabilities when they are known and can be reasonably estimated. At this time the City is not aware of any significant liabilities.

7. Financial Instruments

The City's financial instruments consist of cash, accounts receivable, government transfers receivable, other due from government, other financial assets, accounts payable, deposits and long term debt. Unless otherwise noted, it is management's opinion that the City of Whitehorse is not exposed to significant interest, currency or credit risks arising from these financial instruments.

8. Pension Liability

Currently, employees contribute to a privately managed registered retirement savings plan. The plan is a defined contribution plan to which the City of Whitehorse contributes bi-weekly, based on various employment agreements, and therefore has no liability.

9. Landfill Closure and Post Closure Liability

The City has estimated that the remaining life of its landfill is 39 years based on present annual use and incorporating medium population growth projections. The estimate of closure costs in 2012 was $13.5 million. Using a 2% annual inflation rate, closure costs were estimated at $30.4 million in 2053. Approximately 26.84% (2013 – 25.39%) of the capacity of the landfill has been used as at December 31, 2014.

A liability has been established to address future closure and reclamation of the City's landfill, the liability's present value is estimated to be $1,288,955 (2013 - $1,129,831).

10.

Employee Future Benefits

The City provides severance benefits to employees leaving the service of the City, based upon employees' years of service. Information with respect to the City's employee future benefits obligation is as follows:

	2014	2013
Accrued severance obligation, beginning of year	$ 2,802,000	$ 2,692,000
Service cost	218,800	212,400
Interest Cost	116,400	111,900
Benefits paid	(222,100)	(214,300)
Actuarial loss	96,900	0
Accrued severance obligation, end of year	**$ 3,012,000**	**$ 2,802,000**
Unamortized actuarial gain (loss)	(976,200)	(1,024,800)
Accrued employee future benefits liability	**$ 2,036,800**	**$ 1,777,200**

The accrued severance obligation as at December 31, 2014 was determined by an actuarial valuation. The significant actuarial assumptions adopted in measuring the City's accrued severance obligations are as follows:

	2014	2013
Discount rates	3.50%	4.00%
Expected future inflation rates	2.25%	2.25%
Expected wage and salary increases	3.00%	3.00%

The actuarial loss is the predicted accrual deficit at December 31, 2014; in order to meet the severance obligation, this amount is amortized over a period equal to the employee's average remaining service lifetime (i.e. 13 years), commencing in 2015.

11. Segmented Information

The City of Whitehorse is a diversified municipal government institution that provides a range of services to its citizens such as transit, fire, water, and sewer. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government is comprised of the administrative operations of the municipality including the City Manager's office, all Directors, and the departments of Business & Technology Systems, Engineering Services, Financial Services, Human Resources, Legislative & Administrative Services, Strategic Communications and a portion of the Operations department. Business & Technology Systems maintains the City's computer infrastructure. Engineering facilitates the planning, design, and construction of the City's infrastructure. Financial Services is responsible for the financial reporting and control services of the municipality. Human Resources facilitate staff recruitments, provide staff relations advice and present staff development opportunities. Legislative & Administrative Services coordinates the flow of information to and from Council and Committee meetings. Strategic Communications works with all departments to ensure clear communication to the citizens of Whitehorse. The General Government portion of the Operations department is responsible for building maintenance functions.

Protective Services is comprised of Building Inspections, Bylaw Services, and Fire plus the safety and emergency services function. Building Inspections is responsible for the enforcement of building and construction codes within the City. Bylaw Services educates and resolves infractions against City bylaws while also performing animal control responsibilities. The Fire department is responsible for providing fire suppression and rescue service, fire prevention programs, training and education as well as assistance in emergency preparedness. Safety services facilitate necessary worker safety programs and inspections.

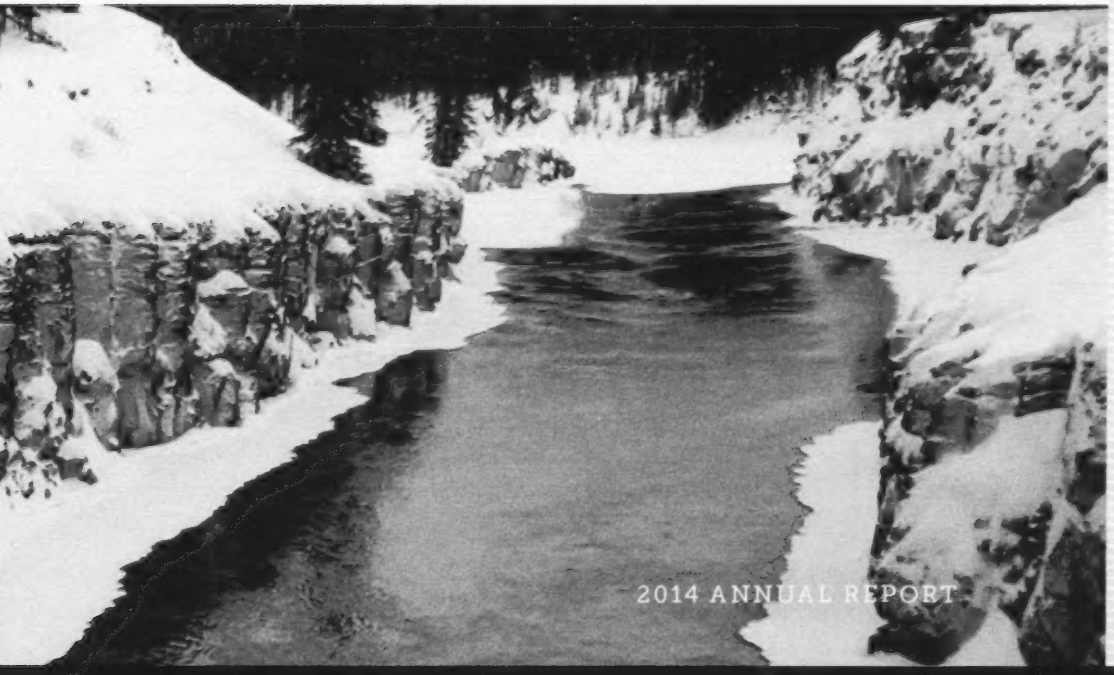
Transportation Services is made up of the balance of the Operations department and Transit. This part of Operations is responsible for the maintenance of all roads within City limits including snow and ice control, maintaining traffic lights and signs, line painting, and insect control, as well as fleet and equipment maintenance. The Transit department provides a Handybus service, which is a service for persons with disabilities in addition to the regular transit service.

Environmental Services is made up of the Environmental Sustainability and Water & Waste Services departments. Environmental Sustainability focuses on integrating sustainability initiatives, providing guidance on environmental issues and managing environment-related programs and projects. Water & Waste Services encompasses the water, sewer and garbage services of the municipality.

Public Health Services consists of the operation of the two cemeteries.

Community Development is made up of the Planning Services department and the Economic Development office. Planning is responsible for the long-range planning of the municipality in consultation with the community ensuring a consistent application of the City's Official Community Plan, Zoning Bylaw, and other legislation in order to protect the natural and developed areas of the City. Economic Development is intended to be the first point of contact within the municipality for those interested in doing business in Whitehorse.

Recreation and Cultural Services is made up of the departments of Parks & Trails and Facility Operations. They are responsible for the operations and maintenance of a variety of recreation facilities including the Canada Games Centre and approximately 33 neighborhood outdoor rinks, over 7,000 hectares of greenspace, numerous trails and parks, leisure programs, and special events.



12. 2014 Budget Adjustments

The budget amounts presented throughout these financial statements are based on the Capital Expenditure Program (Capital) approved by Council December 9, 2013 and the Operating and Maintenance (O&M) Budget approved by Council on February 10, 2014. Capital re-budgets and other projects which do not impact the property tax rate are also included in the pre-finalization adjustment column below.

	Original	Pre-finalization adjustments	Final approved budget
Revenues			
Capital Revenues	$ 12,907,200	$ 9,525,845	$ 22,433,045
O & M Revenues	68,517,868	727,701	69,245,569
	$ 81,425,068	**$ 10,253,546**	**$ 91,678,614**
Expenses			
Capital expenses	12,907,200	9,525,845	22,433,045
O & M expenses	68,517,868	727,701	69,245,569
	$ 81,425,068	**$ 10,253,546**	**$ 91,678,614**
	-	-	-

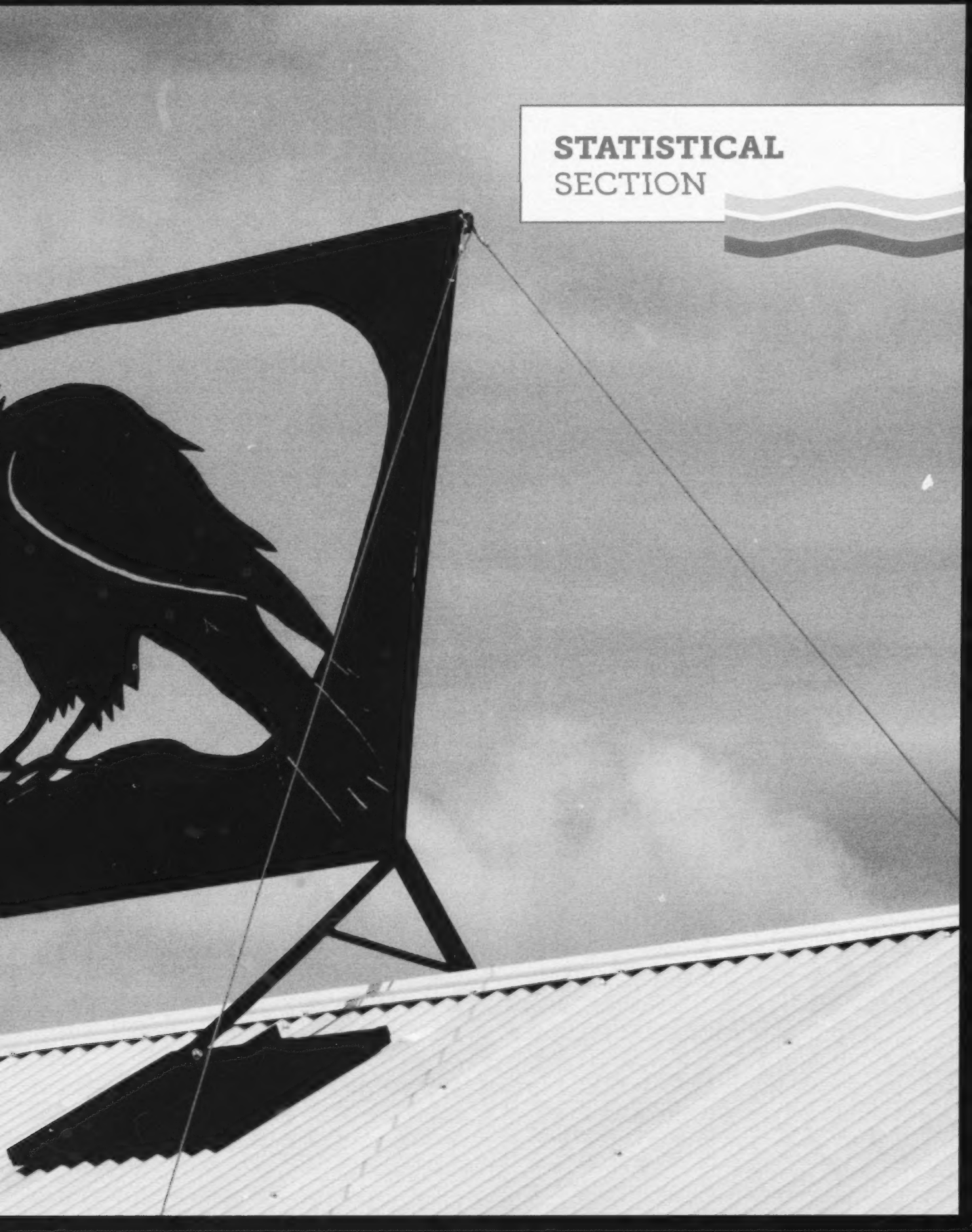
The table below shows the adjustments made to the 2014 budget values for the use of surpluses accumulated in previous years, debt transactions, depreciation expenses, tangible capital asset transactions and the accumulation of surpluses in the current year. The Adjusted Budget values are then comparable to the 2014 actual values, and are the budget values shown in the Statement of Operations.

	Final approved budget	Borrowing proceeds	Use of / transfers to accumulated surplus	Debt Principal payments	Depreciation expense	TCA expenditures	Adjusted Budget
Revenues							
Capital Revenues	$ 22,433,045	$ (475,000)	$ (12,693,774)	-	-	-	$ 9,264,271
O & M Revenues	69,245,569	-	(3,957,766)	-	-	-	65,287,803
	$ 91,678,614	**$ (475,000)**	**$ (16,651,540)**	-	-	-	**$ 74,552,074**
Expenses							
Capital expenses	22,433,045	-	-	-	-	$ (22,433,045)	
O & M expenses	22,433,045	-	(16,533,213)	(646,254)	14,487,175	2,811,672	69,364,949
	$ 91,678,614	-	**$ (16,533,213)**	**$ (646,254)**	**$ 14,487,175**	**$ (19,621,373)**	**$ 69,364,949**
	-	**$ (475,000)**	**$ (118,327)**	**$ 646,254**	**$ (14,487,175)**	**$ 19,621,373**	**$ 5,187,125**

Other Information

13.

The City is embarking on a major project in 2015 to replace its existing building infrastructure. This project has an estimated cost in excess of $50 million and is expected to be incurred over a 3 year period. Funding will come from a variety of sources including reserves, debt financing and anticipated federal funding.



STATISTICAL SECTION

DEMOGRAPHICS & MAJOR VENDORS

Demographic and Economic Information

Years ended December 31 for 2010 to 2014

	2014	2013	2012	2011	2010
Population	28,455	27,825	27,753	27,190	26,304
Unemployment Rate					
Yukon (as of December)	4.3%	5.3%	6.0%	5.3%	4.2%
Canada (as of December)	6.9%	7.2%	7.1%	7.4%	7.8%
Consumer Price Index (CPI) changes	1.3%	1.7%	2.3%	3.0%	0.8%
Occupancy Trends					
Dwelling Units	10,407	10,189	10,016	9,624	9,201
Median Rent	$ 950	$ 900	$ 850	$ 800	$ 775
Housing Starts	212	111	282	332	234
Avg. Selling Price of Homes (000)	$ 384.7	$ 394.8	$ 402.7	$ 432.6	$ 404.8
Vacancy Rate	3.5%	3.1%	1.5%	1.4%	1.3%
Other trends					
Res. Construction Value (000)	$ 31,562	$ 22,992	$ 50,808	$ 52,503	$ 27,603
Non-res. Construction Value (000)	$ 48,427	$ 25,380	$ 22,788	$ 45,233	$ 41,302
Business Licenses	2,407	2,080	2,864	2,326	2,419

Sources: City of Whitehorse and the Government of Yukon, Bureau of Statistics

City of Whitehorse Personnel

Years ended December 31 for 2010 to 204

	2014	2013	2012	2011	2010
Permanent	305	283	278	260	256
Casual/**Other	97	119	108	58	100
Total Staff	**402**	**402**	**386**	**318**	**356**
Increase (decrease) from previous year	-	16	68	(38)	(21)

***Consists of all non-permanent employees i.e. Temporary, Casual, etc.*

STATISTICAL SECTION

2014 Major Vendors

P.S. Sidhu Trucking Ltd.	$ 4,100,632.83
ATCO Electric Yukon	$ 3,825,950.14
Wildstone Construction and Engineering Ltd	$ 2,396,900.34
North 60 Petro Ltd.	$ 2,011,543.27
AMSC Insurance Services Ltd.	$ 1,470,880.81
Super Save Propane (Yukon)	$ 1,429,815.85
Castle Rock Ent - General Contractors	$ 945,622.29
Intact Insurance Company c/o Whitelaw Twining	$ 945,063.54
Inland Kenworth Ltd.	$ 877,355.21
Smeal Fire Apparatus Co.	$ 637,897.00
Associated Engineering (BC) Ltd.	$ 561,390.64
Arcrite Northern Ltd.	$ 552,144.81
AON Reed Stenhouse	$ 520,038.00
Government of Yukon B-1	$ 485,306.99
Vermeer Canada Inc	$ 482,380.21
Fil-Can Cleaners Ltd.	$ 439,780.11
Norcope Enterprise	$ 404,415.99
Yukon Workers' Compensation Health & Safety Board	$ 345,783.46
Raven Recycling Society	$ 343,569.78
Opus Dayton Knight	$ 300,542.36

ASSESSMENT & TAXATION INFORMATION

Assessment and Taxation Information

Years ended December 31 for 2010 to 2014

Tax Rates			
	Non-Residential	Residential	Agricultural
2010	1.619%	1.179%	1.078%
2011	1.684%	1.227%	1.121%
2012	1.675%	1.135%	1.164%
2013	1.739%	1.178%	1.209%
2014	1.727%	1.097%	1.132%

Taxable Assessments (000,000)			
	Non-Residential	Residential	Agricultural
2010	762.0	1,150.3	0.3
2011	790.5	1,184.5	0.3
2012	856.7	1,373.0	0.4
2013	874.8	1,438.8	0.4
2014	915.2	1,606.7	0.4

Major Property Taxpayers

2014 Taxation Year

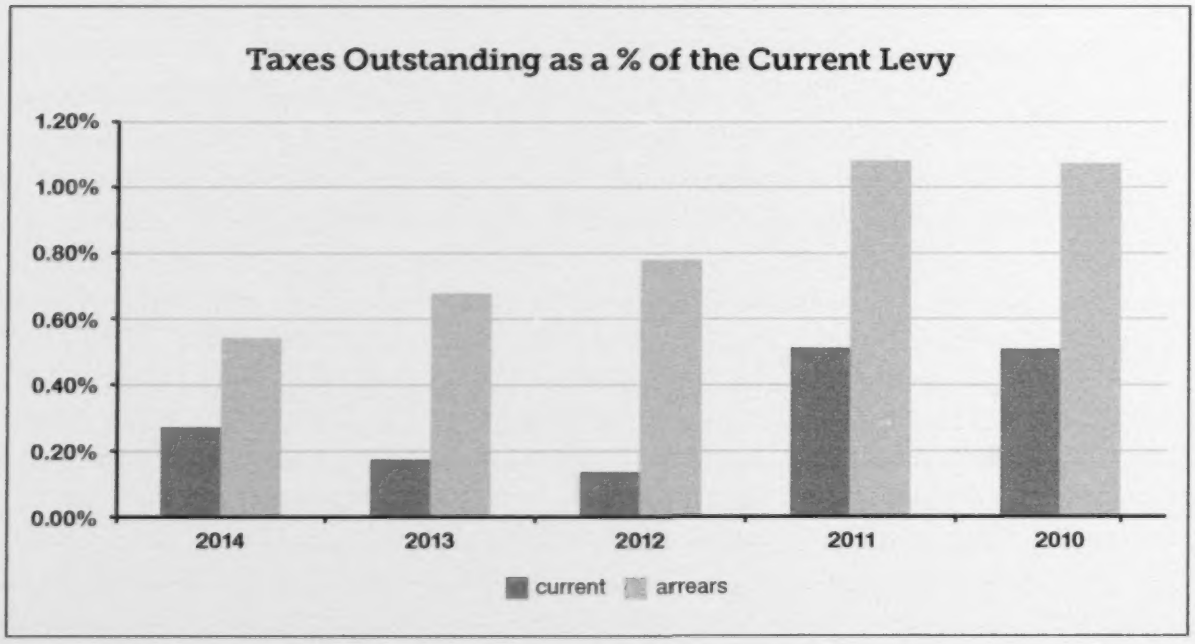
Yukon Hospital Corporation	$ 891,406.77
Canadian Tire Real Estate Ltd.	$ 269,772.42
Loblaws Inc.	$ 226,053.25
Walmart Canada Corp.	$ 169,934.21
89804 Canada Limited	$ 161,337.38
Kwanlin Dun First Nation	$ 112,104.58
Westmark Hotels of Canada Ltd.	$ 111,681.46
Quadra Equities Ltd.	$ 99,245.16
Northern Vision Development	$ 91,461.23
Home Hardware Stores Limited	$ 84,427.68

STATISTICAL SECTION

Tax Collection

Years ended December 31 for 2010 to 2014

	2014	2013	2012	2011	2010
Current Taxable Levy	$ 27,268,418	$ 26,378,901	$ 23,476,566	$ 21,847,160	$ 20,411,126
Taxes Receivable					
Current	74,169	45,638	31,714	88,006	103,840
In arrears for one year or more	148,167	179,339	183,476	161,573	220,090
	$ 222,336	$ 224,976	$ 215,190	$ 249,579	$ 323,930
Taxes Outstanding as a % of Current Taxable Levy					
Current	0.27%	0.17%	0.14%	0.40%	0.51%
In arrears for one year or more	0.54%	0.68%	0.78%	0.74%	1.08%



REVENUE BY SOURCE & OBJECT

5 Year Comparative Consolidated Revenue By Source

Years ended December 31 for 2010 to 2014

	2014	2013	2012	2011	2010
Taxes and payments in lieu of taxes	$ 33,864,432	$ 32,607,543	$ 30,191,241	$ 28,051,329	$ 26,219,850
Government transfers	13,993,974	15,136,317	24,246,203	13,837,969	10,704,328
Sales of goods and services	14,915,285	14,167,530	13,284,807	12,542,391	12,128,532
Licenses, permits, penalties & fines	2,617,850	2,311,530	2,528,870	2,793,830	2,533,838
Investment income	712,892	302,094	581,000	469,250	670,875
Developers Contributions	420,022	335,147	216,128	280,722	351,827
Other revenues	2,370,197	3,207,783	5,451,900	16,312,021	7,117,789
Donated assets	51,538,400	7			
Total Revenue	**$ 120,433,053**	**$ 68,067,951**	**$ 76,500,149**	**$ 74,287,512**	**$ 59,727,039**

5 Year Comparative Consolidated Expense By Object**

Years ended December 31 for 2009 to 2013

	2014	2013	2012	2011	2010
Expense					
Salaries & Benefits	$32,434,253	$29,769,794	$29,716,450	$28,611,520	$25,062,473
Materials & Supplies	15,987,882	18,223,569	21,132,549	21,172,189	15,330,359
Community Grants	1,105,207	1,058,422	1,233,954	1,009,633	931,378
Debenture Interest	530,469	619,569	535,153	570,758	274,421
Other	1,940,423	1,382,745	2,733,065	1,792,151	3,095,363
Amortization	14,487,176	13,316,308	12,662,223	12,297,329	10,977,585
Total Expense by Object	**$66,485,410**	**$64,370,407**	**$68,013,395**	**$65,453,579**	**$55,671,579**

** *The term "object" refers to expense by nature or type*

REVENUE & EXPENSE BY FUNCTION

5 Year Comparative Operating Revenue and Expense By Function

Years ended December 31 for 2010 to 2014

	2014	2013	2012	2011	2010
Operating Revenue					
Total Operating Revenue	**$120,433,053**	**$ 68,067,951**	**$ 76,500,149**	**$ 74,287,512**	**$ 59,727,041**
Operating Expense					
General government services	11,044,225	11,960,364	11,589,505	13,376,888	11,925,296
Protective services	7,727,744	7,246,218	7,419,163	6,318,008	4,944,192
Transportation services	18,730,152	17,964,976	17,973,611	15,474,346	14,143,553
Environmental services	13,933,744	11,927,055	11,518,183	10,004,218	10,763,489
Public health services	291,064	249,001	255,390	263,445	263,938
Community development services	1,630,242	2,098,480	1,987,116	1,816,044	1,687,402
Recreation and cultural services	13,128,239	12,924,312	17,270,425	18,200,632	11,943,709
Total Expenses	**$ 66,485,410**	**$ 64,370,407**	**$ 68,013,393**	**$ 65,453,581**	**$ 55,671,579**
Operating Surplus	$ 53,947,643	$ 3,697,543	$ 8,486,756	$ 8,833,931	$ 4,055,463
Accumulated Surplus/(Deficit)	$ 437,753,093	$ 383,805,450	$ 380,107,906	$ 371,252,289	$ 362,418,359

5 Year Comparative Financial Assets

Years ended December 31 for 2010 to 2014

	2014	2013	2012	2011	2010
Net Financial Assets/(Deficit)	$ 24,079,342	$ 20,148,458	$ 15,664,716	$ 15,232,842	$ 5,275,131

Notes: All capital acquisitions have been eliminated for comparative purposes.

CAPITAL ASSETS & EXPENSES

Donated Tangible Capital Assets

Years ended December 31 for 2010 to 2014

	2014	2013	2012	2011	2010
Land	-	$ 7	$ 6,406	-	-
Land Improvements	*** 7000	-	-	-	-
Linear Assets	**** 51,531,400	-	* 131,650	** 163,400	-
Total	**$ 51,538,400**	**$ 7**	**$ 138,056**	**$ 163,400**	-

** amount is for the Sima Creek bridge*
*** amount is for the Peter Greenlaw Memorial bridge*
**** amount is for two trails*
***** amount is for Whistle Bend subdivision*

Tangible Capital Assets Recorded at a Nominal Value

Years ended December 31 for 2010 to 2014

	Net book value	Number of Properties
2010	$18	18
2011	$18	18
2012	$24	24
2013	$31	31
2014	$31	31

The amounts listed above relate to lands that are owned by the City of Whitehorse and consist of properties that are vacant, right of ways, parks or required for utility access.

STATISTICAL SECTION

5 Year Comparative Capital Expenses

Years ended December 31 for 2010 to 2014

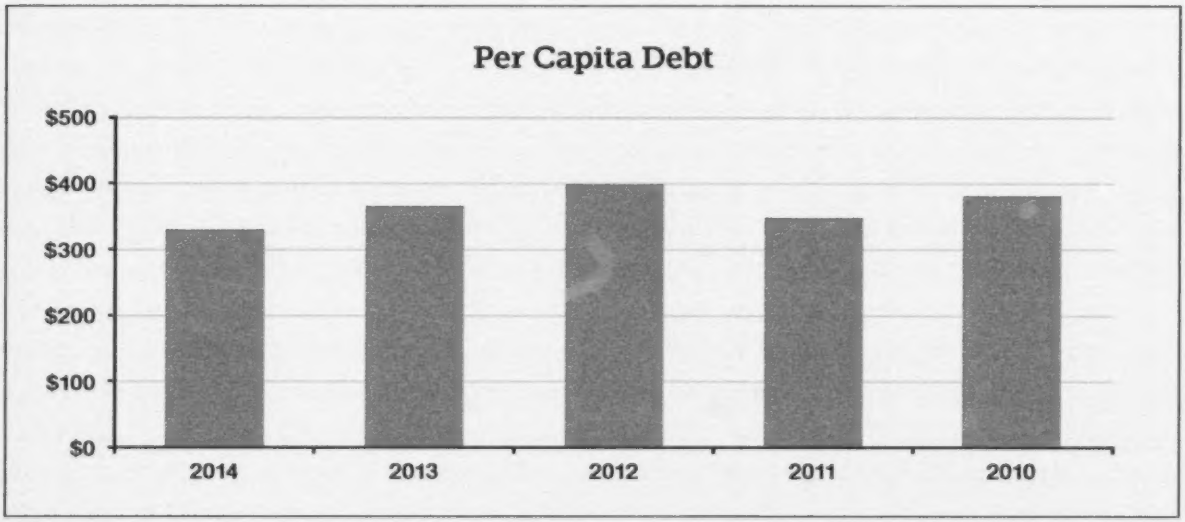
	2014	2013	2012	2011	2 010
Expense Components:					
Public Works	$ 8,513,054	$ 4,151,010	$ 11,410,100	$ 8,047,886	$ 6,479,717
Public Utilities	5,255,191	3,012,701	9,195,293	1,446,504	2,261,707
Building Projects	1,277,529	619,425	1,759,354	7,041,793	7,173,890
Vehicle & Equipment	5,361,529	5,849,150	2,241,422	2,035,560	4,216,799
Administrative Studies	1,649,533	440,913	824,673	601,955	410,578
Property/Park Development	376,209	766,703	3,506,479	894,627	1,044,223
	$ 22,433,045	**$ 14,839,902**	**$ 28,937,321**	**$ 20,068,325**	**$ 21,586,914**
Sources of Funding					
Transfers from Reserves					
Area Development Scheme	-	-	-	-	(23,313)
Building Replacement	-	-	45,974	731,210	692,733
Capital Reserve	3,522,812	1,917,759	4,844,466	2,030,342	2,276,521
Computer Equipment	100,000	70,000	34,964	75,100	22,181
Development Cost Charges	820,518	853,576	126,994	97,586	875,000
Environmental Protection	-	-	-	16,243	53,617
Equipment	1,899,622	1,352,333	936,712	474,499	734,795
General Fund	2,676,355	1,508,241	1,070,839	1,133,666	1,404,575
Land Bank	270,907	54,192	178,515	1,582,629	4,314,588
Parking Development	161,644	46,437	20,348	72,749	103,227
Recreation Facilities	154,151	159,164	-	25,000	28,443
Transit Equipment	-	-	-	74,008	1,009,199
Water and Sewer Replacement	2,837,765	558,487	701,463	412,083	769,158
Total Transfers from Reserves	12,443,774	6,520,189	7,960,275	6,725,115	12,260,724
Government of Canada Grants	2,591,290	1,200,719	7,728,229	4,060,741	3,962,825
Government of Yukon Grants	6,782,541	6,984,520	9,436,737	2,979,278	363,365
Debentures	475,000	-	2,189,824	108,987	-
Loans	-	-	-	-	5,000,000
Other Contributions	140,440	134,474	1,622,256	6,194,204	-
Total Funding	**$ 22,433,045**	**$ 14,839,902**	**$ 28,937,321**	**$ 20,068,325**	**$ 21,586,915**

5 Year Comparative Analysis of Debt

Years ended December 31 for 2010 to 2014

	2014	2013	2012	2011	2010
Total Assessed Value	$ 2,603,278,556	$ 2,522,314,676	$ 2,313,962,362	$ 2,230,041,932	$ 1,975,497,886
****Allowable Debt Limit**	78,098,357	75,669,440	69,418,871	66,901,258	59,264,937
Total Debt Outstanding					
Beginning of Year	10,031,218	10,825,283	9,247,993	9,843,376	5,406,005
Add:					
Borrowed Funds	-	-	2,317,093	108,987	5,000,000
Less:					
Principal Repayments	(646,254)	(794,065)	(739,803)	(704,370)	(562,629)
Total Debt Outstanding	**$ 9,384,964**	**$ 10,031,218**	**$ 10,825,283**	**$ 9,247,993**	**$ 9,843,376**
Detailed Total Debt Outstanding					
General Municipal	9,318,285	9,901,780	10,574,385	8,882,080	9,368,548
Water and Sewer	66,679	129,438	250,898	365,913	474,828
	$ 9,384,964	**$ 10,031,218**	**$ 10,825,283**	**$ 9,247,993**	**$ 9,843,376**
Gross Debt Servicing Costs	**$ 1,183,049**	**$ 1,369,832**	**$ 1,280,235**	**$ 1,388,980**	**$ 901,400**

***The total principal amount of debt that a municipality may owe at any time shall not exceed three percent of the current assessed value of all real property within the municipality that is subject to property taxes or payments in lieu of taxes, as per the Municipal Act, R.S.Y. 2002, c. 154.*



STATISTICAL SECTION

5 Year Comparative Reserves Analysis

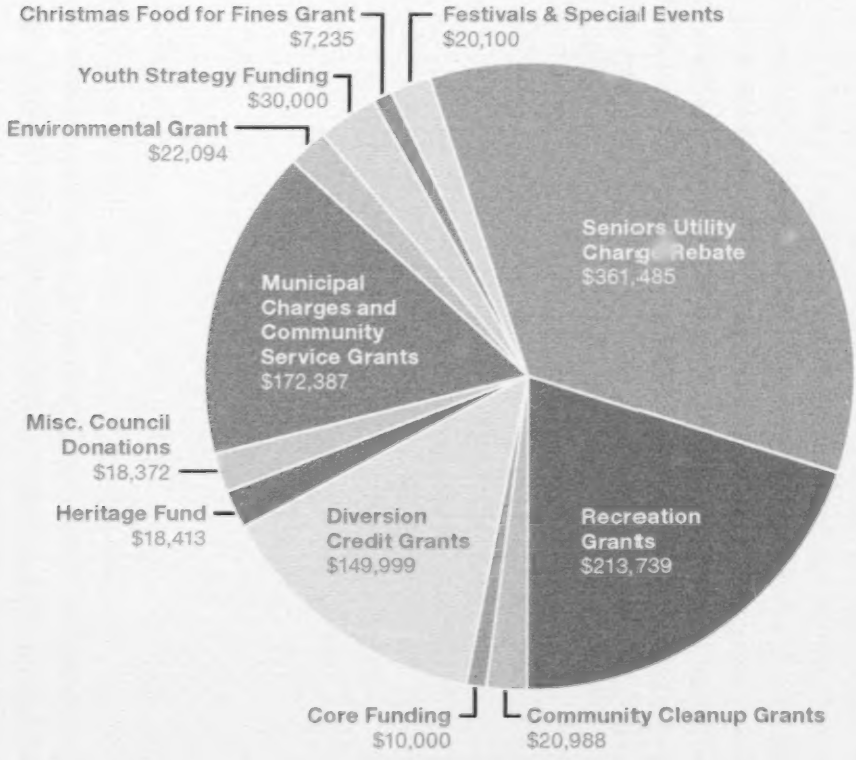
Years ended December 31 for 2010 to 2014

	2014	2013	2012	2011	2010
Area Development Scheme	$ 144,385	$ 144,385	$ 144,385	$ 144,385	$ 144,385
Building Replacement	1,722,142	1,243,967	779,864	344,348	611,454
Capital	3,214,773	2,476,313	772,243	2,293,915	3,553,505
Cash In Lieu of Municipal	595,020	595,020	544,840	505,100	417,633
Cemetery Perpetual Care	135,398	128,250	123,149	113,902	107,285
Computer Equipment	207,069	201,208	174,746	119,901	111,515
Contingency	506,896	748,194	748,194	291,081	1,061,081
Development Cost Charges	3,510,254	3,037,530	3,686,895	3,135,939	1,630,437
DCC: Rec Facility Replacement	1,378,868	1,168,428	1,050,683	881,195	729,631
Environmental Protection	(72,900)	(22,986)	(14,158)	(11,249)	(21,109)
Equipment	426,599	1,272,570	2,394,630	2,823,222	107,746
Gas Tax Reserve	34,231	33,003	32,118	27,528	26,312
General Fund	1,634,868	1,433,913	1,242,020	1,397,012	564,501
Land Bank	4,094,431	4,079,111	3,128,153	2,791,097	324,949
Parking Development	2,088,495	1,850,104	1,629,605	1,262,031	1,586,904
Recreation Facilities	414,416	324,348	338,513	193,513	344,236
Recreation Grant	1,500	1,500	1,500	5,700	20,416
Sister Cities	3,000	3,000	3,000	3,000	3,000
Snow and Ice Control	5,301	5,301	5,301	5,301	5,301
Tire Disposal	70,477	62,077	59,445	55,637	52,277
Transit Equipment	1,669,332	1,278,698	917,849	481,083	118,326
Water and Sewer Replacement	6,281,588	6,730,457	6,609,193	5,765,025	3,429,303
Total Reserves	**$ 28,066,141**	**$ 26,794,391**	**$ 24,372,168**	**$ 22,628,666**	**$ 14,929,088**

2014 **GRANTS**

The City of Whitehorse disbursed more than **$1,044,812** in grants and rebates to support community organizations and programs that benefit its citizens.

Grants and Rebates by Category



GRANT & REBATE HIGHLIGHTS

The City provided Environmental Grants totalling more than **$172,000** to the following groups to support environmental projects and waste diversion efforts:

- All Girl's Science Club
- Centre for Human/Wildlife Conflict
- Friends of McIntyre Creek
- P&M Recycling
- Raven Recycling
- Salvation Army
- Recreation and Parks Assocation (RPAY)
- Share the Road/ Francis Casaubon
- Whitehorse Cross Country Ski Club
- Yukon Bird Club
- Yukon Conservation Society
- Yukon Fish and Game Association

The City was proud to support more than a dozen community festivals and special events in 2014, providing over **$20,000** to these organizations:

- All City Band Society
- Breakdancing Society Yukon
- Blue Feather Music Society
- Royal Canadian Legion Branch 254
- Whitehorse Nuit Blanche Collective
- Yukon Art Society
- Yukon Arts Centre
- Yukon Educational Theatre

STATISTICAL SECTION

The City of Whitehorse provided **$361,485** to just under 800 residents for the Seniors Utility Charge Rebate in 2014.

The rebate is to support Whitehorse citizens 65 or older, or to surviving spouses who meet the program's criteria. The program provides a rebate to citizens from fees paid for water, sewer and garbage services up to a maximum of $500 per year.

The City supports community organizations that protect and enhance our heritage resources, providing over **$18,400** to the following groups:

- MacBride Museum
- Miles Canyon Historical Railway Society
- Forest Pearson
- Yukon Historical and Museums Association

GRANT & REBATE HIGHLIGHTS

Top Recipients of 2014 Municipal Grants

Raven Recycling
$95,128

MacBride Museum
$63,013.56

P&M Recycling
$52,327

Friends of Mount Sima
$25,000

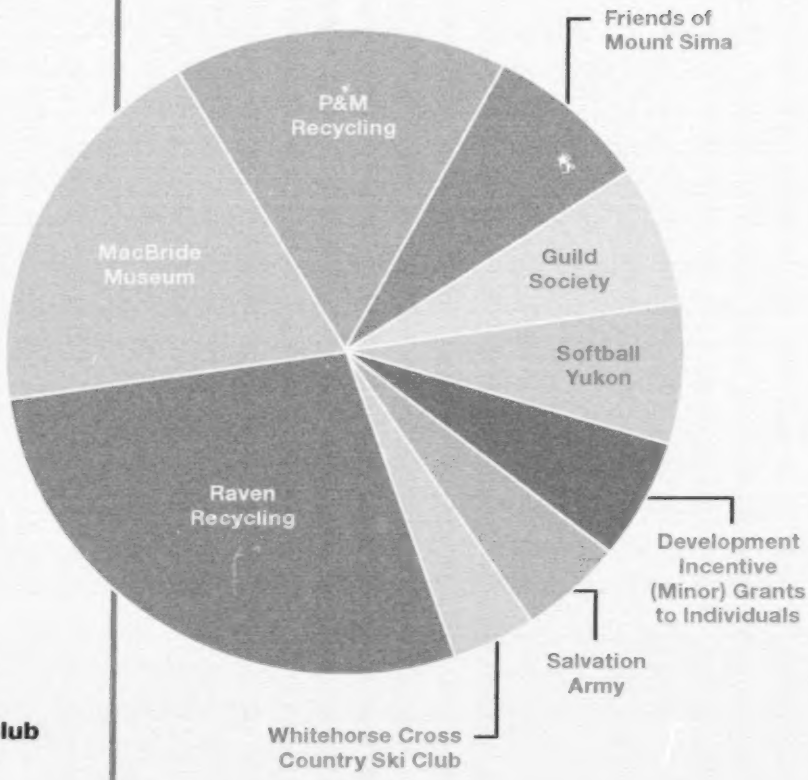
Guild Society
$23,476.86

Softball Yukon
$21,558.71

Development Incentive (Minor) Grants to Individuals
$18,371.71

Salvation Army
$16,166.43

Whitehorse Cross Country Ski Club
$15,132.33



STATISTICAL SECTION

2014 Recreation Grants totalled more than **$213,700** to the following organizations and clubs:

Arctic Edge Skating Club
$8,370

Biathlon Yukon/ Whitehorse Biathlon Club
$3,000

Big Brothers & Sisters of Yukon
$2,400

Boreal Adventure Running Association
$500

Breakdancing Yukon Society
$5,000

Chickadees Playschool Association
$1,830

Climb Yukon Association
$2,500

Community Choir of Whitehorse Society
$7,000

Cycling Association of Yukon
$1,500

Freedom Trails Therapeutic Riding Association
$4,000

Friends of Mount Sima
$25,000

Golden Age Society
$6,000

Granger Community Association
$3,000

Guild Society
$8,000

Gwaandak Theatre Society
$2,000

Japanese Canadian Association of Yukon
$2,000

Jazz Yukon
$2,500

Learning Disability Association of Yukon
$10,000

MacBride Museum of Yukon History
$11,000

Miles Canyon Historical Railway Society
$11,360

Mountainview Golf Club
$9,000

Nakai Theatre Ensemble
$4,000

Romp and Run
$840

Rotary Club of Whitehorse
$2,500

Special Olympics of Yukon
$1,500

Tennis Yukon Association
$1,220

The Heart of Riverdale Community Centre Society
$1,000

Tai Chi Association Yukon
$300

Victoria Faulkner Women's Centre
$6,570

Whitehorse Concerts
$2,000

Whitehorse Cross Country Ski Club
$12,000

Whitehorse Lions
$779

Yukon Art Society
$12,000

Yukon Arts Centre Corporation
$3,640

Yukon Association for Community Living
$2,000

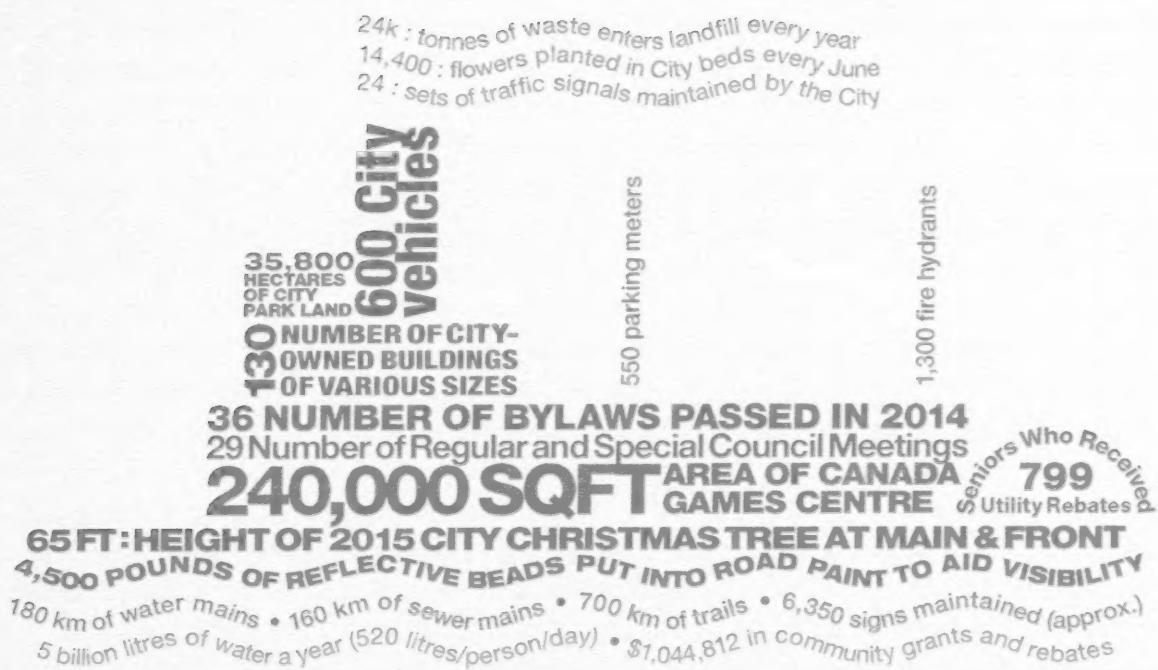
Yukon Breeze Sailing Society
$5,430

Yukon Canoe and Kayak Club
$9,000

Yukon Church Heritage Society
$6,000

Yukon Music Camp Society
$5,000

Yukon Transportation Museum
$12,000


24k : tonnes of waste enters landfill every year
14,400 : flowers planted in City beds every June
24 : sets of traffic signals maintained by the City
600 City vehicles
35,800 HECTARES OF CITY PARK LAND
130 NUMBER OF CITY-OWNED BUILDINGS OF VARIOUS SIZES
550 parking meters
1,300 fire hydrants
36 NUMBER OF BYLAWS PASSED IN 2014
29 Number of Regular and Special Council Meetings
240,000 SQFT AREA OF CANADA GAMES CENTRE
799 Seniors Who Received Utility Rebates
65 FT : HEIGHT OF 2015 CITY CHRISTMAS TREE AT MAIN & FRONT
4,500 POUNDS OF REFLECTIVE BEADS PUT INTO ROAD PAINT TO AID VISIBILITY
180 km of water mains • 160 km of sewer mains • 700 km of trails • 6,350 signs maintained (approx.)
5 billion litres of water a year (520 litres/person/day) • $1,044,812 in community grants and rebates

Whitehorse
THE WILDERNESS CITY

The City of Whitehorse

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